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*** Worsening of Czech-Slovak Relations Noted**

93CH0500A Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 18 Mar 93 p 12

[Article by Berthold Kohler: "Only the Red Pigment in Hemoglobin Is Free—The First Low Point in the Relationship Between Czechs and Slovaks"]

[Text] Prague, 17 Mar—There is already talk of a "trade war," a "new border between West and East," and a search for an "external enemy." The vocabulary has become harsh between Prague and Bratislava. Publicists and politicians are resorting to the use of concepts which do not want to fit in with the usually peaceful relationship between Czechs and Slovaks. Though it is true that the relationship between the two nations, which separated a mere three months ago, does not appear to be as militant by far as the choice of words might indicate. Nevertheless, there is a real reason behind the rhetorical rearmament: The relationship between both of the young republics has reached its first low point.

The principal cause is the different economic development of both countries which has also perforce split the politicians. The prophecies of many analysts of last year (which are not exactly onerous) are beginning to be fulfilled in the economic area. While the Czech Republic benefits from old industrial traditions, its immediate proximity to Germany, and a consistently pursued reform concept, and is developing into a model for the Central European and East European countries, the smaller and less well-equipped Slovakia is slipping ever more rapidly toward economic ruin.

Production and gross domestic product continue to decline, while inflation and unemployment rates are running at several times the Czech values. Slovak commercial banks are unable, since last October, to grant any major credits because of a shortage of capital. Drastically disappearing hard currency reserves have caused the Slovak National Bank to undertake covert rationing of foreign exchange. According to what Prime Minister Meciar said on television in this regard, the "temporary dirigism" is being undertaken in the interest of market economic liberalization.

The bitter medicine of a devaluation of the Slovak koruna, as prescribed by the International Monetary Fund (IMF) on the occasion of its prematurely terminated visit to Bratislava, is something which the Meciar government nevertheless is not (yet) ready to swallow because it would result in a massive loss of prestige in comparison to the Czechs, who would like to revalue their koruna, and would result in displeasure among its own people. Instead, Bratislava is contemplating the erection of import barriers to reduce the demand for foreign goods and thus stabilize the koruna.

However, such protectionism would tend to cancel the customs union with the Czechs which is the last formal tie still binding both countries together. This signals the beginning of a trade war, wrote the Prague daily

LIDOVE NOVINY. Because of the acute or threatening insolvency besetting Slovak trade partners and because of technical difficulties resulting from the division of the currency, Czech-Slovak trade has shrunk to one-half of the volume of deliveries which were accomplished within Czechoslovakia in a bilateral manner anyway. Prime Minister Klaus admitted that this decline was presently the greatest problem for the Czech Republic. Western conversation partners have been lavish in their rhetorical praise of the Klaus reform successes. For the Slovaks, on the other hand, the downward trend in trade is a disaster. Klaus says that "I do not envy the Slovak politicians," and he certainly is sincere in this regard.

On the Slovak side, there is anger primarily over the Czech idea of using the shares which Slovak citizens acquired during the still jointly begun privatization of large Czechoslovak industrial facilities in Bohemia and Moravia as a deposit and a source of dividends to service the Slovak debt. According to Czech calculations, Bratislava owes Prague some 25 billion korunas (about 1.5 billion marks) as a result of the division of the federation's wealth. Slovak Finance Minister Toth warned that in the event Prague actually intends to proceed with such "dirigism" against private property, then Bratislava would put other hitherto unsolved difficulties on the table. This would certainly not contribute toward "peaceful coexistence."

Real storms of indignation were not brought about in Slovakia until the intentions by the Czechs were noted and were evaluated as a violation of existing contracts. Prague intends to sharpen its border regime with respect to the Slovaks and create a frontier out of the 220-km line of partition, such as is "customary" throughout Europe; this means something which was not customary between Moravia and Slovakia until three months ago. Faced with the choice of either closing off its own eastern borders against the wave of refugees from the East or of risking the current permeability of the German-Czech border, Prague, which is more inclined toward the West than toward the East, appears to be making a decision in favor of the latter. The Slovaks are not only afraid of the economic consequences of such an isolation. Meciar criticized the Prague plans by saying that "some people" were attempting to push Slovakia off into the "Eastern camp" in this manner.

Slovak fears are being further promoted by the disinclination of Czech Prime Minister Klaus to engage in overly close cooperation efforts in the European east. Klaus is afraid that collaboration in the Visegrad group, which also includes Hungary and Slovakia, and which is being primarily promoted by Poland, could lead to a side track instead of directly to the main station of the European Community. As a principal witness to document the correctness of his disinclination against a European regional alliance, Klaus recently presented the 80-year-old Richard Nixon, who visited Prague and recommended to the Czechs that they not build anything

in the middle between East and West, but rather that they should strive as rapidly as possible for integration with the West.

Such advice tends to offend the Slovaks, who would much rather continue sharing their economic risks with the Czechs. The danger that the Czech locomotive could be making steam, could drive off toward the West, and could leave the Slovak freight cars stranded along the track is being recognized quite late. Figuring that after the demise of the disputed "Prague filter" prosperity would almost automatically flow into Slovakia has

turned out to be a miscalculation. What is even more crushing in Bratislava is the awareness that even after the achievement of constitutional independence, one has not escaped the role of being the little brother. The fact that sovereignty is not only a question of the theoretical action possibilities, but also primarily a function of actual action possibilities, has likely become painfully clear to the Slovak Government in the meantime. The Slovaks need pay nothing for the coloration and the ridicule with which many a Czech now speaks of the development in the eastern neighboring republic which had "wanted to become independent, come what may."

*** SDS Mistakes, Future Prospects Analyzed**

93BA0753A Sofia VEK 21 in Bulgarian 17 Feb 93 p 4

[Article by Sergey Gerdzhikov, dated 1 February 1993: "Who Is Killing the SDS?"]

[Text] I am not a communist and have never been one. Nor am I or have I ever been a secret agent. I do not know Dr. Zhelyu Zhelev personally. I have been working for Podkrepa and the SDS [Union of Democratic Forces] since 29 October 1989. I was in the political "kitchen" before the first free elections and slightly before the second. All my thoughts and writings are strictly mine. I do not aspire to any political position, and no one can bribe or blackmail me with any kind of money. I am one of those hundreds of thousands of people who, unlike the apathetic millions, still ask themselves: Could finally something be done to rescue the Blue idea? Has the end come for the force represented by the SDS? Do those we elected have the right to lead the SDS to suicide, surrendering to self-appointed messianic leaders?

This article is an almost desperate attempt at saying something sensible in the face of a flood of stories and an avalanche of errors.

The Political Language

Politics has existed for centuries, and so have its typical language and specific rationality. We have lost this form of culture, as we have lost many others, and we are relearning it now. Furthermore, the logic of our Change [capitalization as published] has a new linguistic expression. One way or another, in the course of this change we catch words such as "disloyalty" and "treason." Their normal equivalents are described as "loyalty" and "disloyalty." And since we are moving toward the accepted standards, and the SDS is the embodiment of this movement, it is normal for the SDS to have as its objective a political standard, a civilized way of making politics, with its already developed language and logic. This means that it should be less and less a question of loyalty and treason and of allies and enemies, of informants and agents, or of conspiracies. No constitution, legislation, or political power system that could be considered "normal" can operate with the use of such a language. We already have normal democratic institutions and a functioning constitution (despite all its errors). We have also had two elections. Our Change did not result in a single human casualty. Consequently, in the way we speak of draft laws and votes, majorities and minorities, and of legislative and executive powers and their activities, we should speak and think about the political force of the SDS and what is happening within it. Whether we still assume or find out that we are indeed living in a communist country is a different matter. In that case, the words we emphasize assume real significance, and democratic institutions are simply appearances that merely conceal the true situation. This makes any normal policy meaningless. This leads either to neocommunism or to civil war. If "mafias," "services," and "conspiracies" dictate actions in parliament, in the

courts, and in the government, there is no need to call for elections and to have a "normal state." The reason is that any such "normal state" would merely be the latest mask hiding the dark forces.

Since despite the existence of the SDS, and after such great efforts and the trust of millions of people, after winning the elections, our country is still communist, then there is no hope, the more so since the SDS is the symbol of change, and if the hope for change vanishes this would also mean the vanishing of the SDS. Such a vanishing would simply mean that ever fewer ballots will be cast for the SDS. The latest studies that, naturally, to use that same vocabulary, have been "manipulated," clearly indicate a tremendous drop in trust.

The Language Behind the Screen

Perhaps this entire language is pertinent, for we are indeed living within a communist reality. In that case, to put it simply, our entire struggle was a farce, and there has been no opportunity whatsoever for real change. If after its breakdown communism remains alive in secret institutions, in Red money, in conspiracies and plans, in that case the activities of those who, after a one-year rule can admit this, become entirely senseless and their stay in politics can be nothing but part of that same farce.

I personally see no solution if we have accepted this reality, this hypothesis, this logic, and this language. The only solution would be to grab our hats and disappear from this country or take up arms and start killing each other, seeing a "communist behind every bush." If we are in opposition and describe the rule as "communist," this would mean becoming the laughingstock of the world, for everyone will ask how was it that we won the elections and are the opposition to the communists? In the next election, the Blue idea will garner 20 percent; in the elections after that, 10, and so on, reaching the result that we are predicting for the BSP [Bulgarian Socialist Party]. The political subjects of the SDS, this cohort of steel of irreconcilable soldiers, will decline but will become increasingly purer. However, it will also become much more ridiculous and absurd.

If we adopt this language, we shall be unable to understand anything happening in our political life, for the latter will be entirely dictated behind the screen. In that language the term "partner" becomes meaningless. He is either an ally or an enemy, depending on secret decisions. In that language, "agreements" are a sequence of "bluffs" and calculated steps taken by third persons. In such a "reality," I may think and say something that was insinuated to me by the Secret Services without any suspicion on my part. In such a reality I act either under pressure or under a threat, or else I have been "bribed." It is only the honest people who do not act this way. However, it is not I who can decide who is honest. According to this logic, I may turn out to be a communist without my even knowing it. I would have to wait for the

diagnosis of the specialists. Yet it is not I who decide who are the specialists in the decommunization of my country.

In this kind of reality no one knows anything, for the crumbs available to us are merely vague assumptions. We "know" that Zhelev is a Marxist, but this is an assumption. We "know" that he is blackmailing Dogan, but this is an assumption. We "know" that he is being paid either by the KGB or Bulgaria's Mollov mafia, but this is also an assumption. "We are not idiots. We do not engage in such cheap tricks." However, it is they who anticipate each one of our steps. They know that we shall not compromise our line, although this lack of compromise is precisely aimed against them. Our "firm line" is clearly predictable and is a weapon used against us. Thus we appear slightly ridiculous but clean.

I do not know. I am helpless in the face of this "logic." I am a primitive and naive person, and I believe that Bulgaria has a National Assembly, a government, laws, and courts. I believe that it is only their normal work that will be able to accomplish something in the country. I believe that it is the change in the form of ownership and not of people that will change the people. I believe that a government can no longer be overthrown through conspiracies but in the simplest way: through a parliamentary change and a no-confidence vote. A parliamentary change means the falling-out of some partnerships and the creation of others. No one can force me to believe that political forces do not determine independently who will be their partners and that someone would have to decide this behind their back.

In my view, a normal political coalition makes its decisions after synthesizing the decisions of the parties participating in it. It is not normal, in my view, for a coalition to include pseudoparties and political entities from the time of communist opposition, who have already exhausted their political functions. In my view, loyalty or disloyalty to the SDS means simply whether one implements the SDS program or does not. If you do not promote privatization it means that you are not "loyal." "Buying Bulgaria on the black market" should not take place if a good law has been passed, for then one should seek the origin of the failure within oneself. Could someone assume that the guarantee for a real change in the system does not lie in the law but "in our government"? In that case what kind of system shall we be changing, if the law and its application are meaningless and everything is in the hands of the people who apply that law?

To me, the change of a system in science and, hence, its decommunization, does not mean to reject, on the basis of a law, indiscriminately, some categories of people from leadership positions, but the elimination of the VAK [Higher Certification Commission], the elimination of bureaucracy in science, and the elimination of the ridiculous communist "candidate degrees." What is the advantage when, regardless of the personality and his qualities, the decision is made as to who will not

manage? It is as though the scientific community is mature enough to appoint its leader but has no way to make this appointment official.

The system changes in our country by removing some of the performers and replacing them with others. However, we also realize that the same play is being staged. Is the morality of the liquidation commissions automatically better than that of the promoters of cooperative farms? Should we rely on this rather than on rational economic indicators in order to evaluate the situation and take efficient steps?

A Timely Superposition

Outside of the normal language and the logic that comes with it, all kinds of idiocies are possible. Anything could be interpreted in terms of scenarios and plots. Any failure could be ascribed to the "bad guys." Everything can be justified. All sorts of labels could be stuck and anything could be cursed. One could accuse the head of state of national treason by citing "proofs" outside a courtroom. One could proclaim anyone he wishes to be the messiah and the savior. Anyone could be accused of being an agent. When the "agent," as accused by the bad guys, is one of ours, this becomes a betrayal. When the "agent" has been detected by us to be one of the bad guys, this becomes the truth.

To me this is an obvious evil. I could not hate even my worst enemy so much as to accuse him of a grave crime. How can this be consistent with the Blue idea of freedom and personal autonomy if I were to accuse, right and left, my yesterday's allies of being traitors, conspirators, secret agents, and communists? Even in the case of people such as Lukanov and Lilov we are waiting for a court ruling, although some of the leaders of our movement for democracy hastened to label their own president a "national traitor." If this is possible for the bearers of the Bright Idea, why should I not accuse my neighbor of having stolen from me my 10,000 leva? Did I not find him alone in the next room?

Obviously, waves of emotions prevail instead of reason. The unpleasant feeling of criticism makes the critic disliked. He may be an enemy. Let us say that he is an enemy. He votes in favor of a government with communists. This means that I am not to blame for not having amended my view and my decision, taking into consideration the view of my coalition partner, and that he is to be blamed for not having listened to me. Unquestionably, any acceptance of my interpretation is good and any difference is bad. In such waves of feelings, our leaders frequently resemble members of a propaganda group and are frequently influenced by said propaganda. If they applauded me when I entered or left the premises at 134 Rakovska, it means that I was right. If they hit my knuckles, they are wrong. I should not trust them.

The Spirit of the SDS

Who is killing the SDS? Who is killing our faith?

Above all, a search for the reasons for failure outside of us, outside of me, means that action is impossible. If it is not I but it is you who are guilty, there is nothing I can do other than "judge" you. However, the moment I realize my own guilt and my stupidity, I have the freedom to change.

The freedom of the SDS is the spirit of freedom. Freedom means self-responsibility. It is only an analysis which shows my errors and indicates the actions I must take that makes sense. If my analysis uses the terms applied to the shady activities aimed at me, I have doomed myself to such activities, I have become the target of such activities. If I do not seek friends and partners but instead look for enemies and traitors, I am doomed to loneliness and failure. However, if I think and act in terms of the language and logic of an open reality, things acquire a shape. Actions acquire an author. Options become clear. I am given a scope for action. I become free from my stupidity of stubbornly repeating my errors. The SDS government was overthrown. That was a fact. It was achieved on the basis of an entirely normal parliamentary procedure. The error of nominating Filip Dimitrov and of the "hard-line" was obvious. Conferences were held at which the leaders once again supported their views. Today it is not ethical to blame those who followed the decision of the National Conference on forming a government together with the DPS [Movement for Rights and Freedoms]. It would be wrong of me not to mention that it is ridiculous to be angry with the DPS for not supporting the SDS candidate. For the mandate was given to the DPS, whereas ours was wasted because of Filip Dimitrov.

The opportunities were lost. To say that puppet choices were avoided is not serious. If the smaller partner was able to turn you into a puppet, too bad for you. But who will be the next partners, and will Zhorzh Ganchev or Mrs. Mozer be saluting the NKS [National Coordination Council]? I profoundly doubt their willingness to a member of the SDS as a future candidate prime minister. According to the present logic of the "hard-liners," the future partners of the SDS would once again have to be labeled communist.

Furthermore, according to this fatal "logic," based on the wave of feelings and the stubborn belief in its absolute rightness and in the communist nature of any kind of disagreement, the SDS could never again become the ruling force. Never, for it would need 51 percent of the vote. You should not try to turn politics into the absurd "art of the impossible." We do not need this, even as a myth, for the magic of the SDS had no place for any hatred and suspicion. It was brimming with enthusiasm and readiness to work.

Everything has its right time. The SDS is the political present and the hope for the future of Bulgaria. If the SDS stubbornly refuses to become part of the political reality and tries its best to promote a change in the system, it becomes a lost cause and will be forgotten. It will go away and others will take up the work. This is

certainly not what we want. However, there are forces that cannot be broken by anyone. The rich will not become poor. The money may be losing its color, but it becomes ridiculous to oppose the Red money after we failed to eliminate its harm at the right time.

We lost years in preparing for privatization. Yet, every passing day, millions are being drained off from the state enterprises of our still socialist economy, going into the pockets of the nomenclature and the new actors on the stage. Everyone knows the way the state is drowning through its state enterprises. Yet now we are angry at the thought that the "mafia" will buy Bulgaria on the black market. Gentlemen, Bulgaria has already been "bought." It was "bought" at our expense, and we are the ones who will be paying the price for decades into the future.

Meanwhile, the order of the knights will be waving the flag and pointing at the road ahead. It will teach us morality and will define who is a communist. It will be a member of the opposition and will summon us to attend meetings. It will obtain a support of some 20 percent and will be "clean." This will no longer be the SDS. It will be the pitiful remnant of a dream ground into dust. It will be a huge Blue promotion group. At that point quarrels as to who is a traitor will make no sense. The people get fed up with such rackets. They will see that it is those who deprived the Blue idea of its flesh and blood and political reality, social base, and nationwide support, who are betraying the Blue idea.

What Is Killing the SDS?

The SDS is breaking down under the pressure of the irrational. It is breaking down under the pressure of the tempest of a "struggle" unrestrained by any kind of reason. Political realism is late in coming and is becoming inadequate. The solution does not lie in the failure to impose a suitable candidate and a suitable line for the implementation of the program on the basis of which you were elected and then to support someone else's government. However, I tend to accept the search for the possible. Any error must be paid for, and corrections in a fast political time are rarely possible. Let us remember how the hard-liners "went" to elections, without even conceiving that a cabinet could exist without them. They had instilled within themselves the idea that they were still deciding everything, even after they had wasted all their opportunities to do so. Serves them well, but once again we were tricked, for we became the "communists" and "traitors" instead of those who defeated and are defeating our cause.

The question of who is killing the SDS remains unanswered. The film continues to roll. The SDS is still alive and could be saved, for the strong national dream is not only still alive but has even been embodied in the reality of many people who learned how to use their freedom and to accomplish useful things for Bulgaria and for themselves. This is because this program we angrily charge of having been "stolen" from us has been equally good for the tremendous majority of people, even for the

"Red Mafia." It is ridiculous to claim that the "communists" will not accept change. They have not only accepted it but, for quite some time, they have been playing according to its rules. Unfortunately, a liberal society is a paradise for those who make money. A transitional liberal society is a paradise for any kind of dirty deal. In this case, politics is of no importance.

The SDS could be saved if it changes its vision, if it moves forward and falls in step with the times. The times are as follows: We lost a major battle and we come back as the opposition. In order not to die, the SDS must seek its loyal partners with whom it must conclude strict agreements. We should no longer have any illusions that only our truth and our will will be the only one to prevail. This is inadmissible in real politics. A single will and a single "truth" existed only under communism.

Once the system has been changed, the SDS could calmly become part of history. We are opposing not communism but, unfortunately, a postcommunist majority. This is a much more complex majority, and it would be naive to color it Red. It is the majority of the temporary coincidence of political interests. It is a loose one, and it is only our errors that make it strong. This could have been avoided. Now, we shall have to wait and see the way various forces will come together. After the huge mistakes, our opportunities have greatly shrunk, and only very intelligent actions would enable us to make use of them. This cannot be expected of those who brought matters to the present point. There must be changes within the NKS. The statute of the coalition-movement must be updated. If it were up to me, I would ask the "hard-liners" to withdraw and, if they so desire, to set up their own separate order of knights, but at that point they would drop the name SDS. Let us preserve the image of the SDS that promised only brightness and freedom and that remained bright even while it exposed the murders committed by the communists. Let the SDS electorate come back not after public meetings, but after the ballot box, which will ensure its majority. Let us seek those who could not make up their minds in the past elections.

A Chance for Salvation

Let us adopt the language and logic of politics and use its characteristic thoughts and steps. Anything that is "retroactive" and "mysterious" is not the concern of the voter. Nor is it rationally interpreted by the decision-makers. Indeed, steps are taken behind the screen and,

unquestionably, they must be unraveled, but not in terms of "treason," "conspiracy," or "conditions." What are real in politics are the expressed desires, voices, and public decisions that change the political structure. It is important to understand the political motivations and anticipate decisions rather than pursue a lurking enemy everywhere.

Emotions have no place in politics. The SDS came with a new morality—the morality of autonomy. However, the decisions of the coalition are exceptionally burdened by responsibility. That is why they must be made by a system of fresh and soberly thinking minds. It is naive to refer to the brilliant intuition of leaders or to hope that the crowd of participants in a large forum would reach the best decision. Experts will present options for rational political actions and the conference will choose among them. This choice could hardly predetermine each step to be taken, for things are changing on a daily basis and necessitate corrections as we go along. The forum will indicate the general will, the prevailing demand. It is only a concentrated and competent analysis that will make politics efficient and the will of the majority attainable. Strong words and exhortations do not move things forward.

The SDS must impose itself once again. It still has the support of a substantial part of the elite of the nation, for it still embodies the hope for a civilized and sufficiently rapid change. One can see that despite all the errors of its executive administration last year, it was the SDS specialists who wrote the laws and draft laws that led to true change. This was because the Berov government was merely the poorer variant of the reform rather than some kind of hopeless and irreversible abandonment of the report. The return of the SDS may find the country in a worse situation, but our guilt must be redeemed by providing a much more mature governance.

All this may be nothing but a pious wish, for it is entirely realistic that the SDS may not regain power. In that case, we are living through our final hopes and reliance and we shall participate and witness the shame of having the BSP become the strongest formation, around which will rally the remnants of the SDS, the BZNS [Bulgarian National Agrarian Union], the Business Party, and the various dwarf parties that constitute a configuration most suitable to the former communists.

God, have mercy on Bulgaria and enlighten those on whom the survival of our dream depends the most.

*** Challenge of Joining Europe Explored**

93CH0465A Prague HOSPODARSKE NOVINY in
Czech 23 Feb 93 p 25

[Article by Kveta Buschova: "Which Way and How To Join Europe?"]

[Text] *Our return to Europe. Virtually overnight this statement, which was made more than three years ago, became a lofty saying. So lofty that only a complete ignoramus would not know today what lies behind it. However, are things really so unequivocal? And do those who like to make use of this terminology know not only which way and how, but when and where we actually wish to "return"? And do they all understand the same thing as to the content of the statement?*

Let us now leave aside the views of the "estheticists" from among the ranks of historians and linguists who are excited by "our return to Europe" (and not completely unjustifiably), and let us contemplate these questions. Questions that are of maximum importance to us and, in many directions, even highly topical.

This Is Not a Question of "Returning"

It is an undisputed fact that, territorially, we never ceased being in Europe; that is, we even like to boast that we are its "heart." (Of course, Hungary makes the same claim and is frequently moved to prove that the geographic center of the "old continent" lies precisely on its territory.) So, as far as the territorial standpoint is concerned, this is not a question of "returning" to Europe, nor can it be the question.

Then there is the cultural viewpoint. Even here, let us raise an objection, not only in view of the cultural monuments, which our ancestors left behind for us as well as for the Europeans in unprecedented concentration, but also because not all small nations can be proud of such giants as Jan Amos Komensky, Antonin Dvorak, Leos Janacek, and Karel Capek, to name only the really greatest among the great, which are recognized by the entire world. And, to the extent that the period September 1938 through November 1989 is frequently referred to as a "cultural desert," it is necessary to recall that, even during the fascist and communist period of "meanness," the banner of Czech culture was being wielded by such people as Jaroslav Seifert, Milos Forman, Ladislav Fialka, and others. Certainly, as far as culture as a whole is concerned—in other words, including the cultural nature of our conduct and actions—we have a lot of ground to cover. But even this is not the "heart of the poodle" in terms of our "return to Europe."

Thus, it is necessary to seek the answer to the first question elsewhere—primarily in the economic and political area. But even here, it cannot be a question of a "return." This is so also because the Europe to which we want to "return" underwent great positive changes over the decades during which we were separated from it by

the Iron Curtain. And, on the other side, it continues to be vexed—even in its most developed portions—by such evils as racism and fascism (FRG) and terrorism (Northern Ireland and Italy). That is why we had better reject the term "return to Europe." Czechoslovakia after November 1989 and the Czech Republic and the Slovak Republic now were and are undoubtedly concerned about one thing—namely, that we should, as soon as possible, universally elevate ourselves to such a level that reflects the best that Europe and the world had achieved on the eve of the third millennium and that we should become part of the mosaic of the common effort for a "still better next millennium."

Added Complications

This road will not be easy, even with respect to minutiae. Let us begin with that generally recognized "baseline," the economy. To catch up with the "train" of Europe's most developed economic countries is and will be extraordinarily difficult, even with their assistance. It can even be said that, compared to many other postcommunist European countries, in spite of the fact that we had considerable head start at the imaginary starting line, things will be even more complicated for us. After all, we are not only economically obsolete in all areas and spheres of the economy. We need not, as the saying goes, only completely revolutionize a bad but well-oiled system on the march. We have added serious worries to our situation by dividing the state. Without regard to the fact that the actual division of the CSFR progressed in a civilized manner, that both of the new states have close economic (and political) ties based on agreements reaching even into the future (at least into the immediate future), we are becoming convinced on an everyday basis even now regarding the difficulties resulting from the "divorce" of the republics and of difficulties that are yet to come.

At the very least, we have already virtually "squandered" valuable time, time necessary for the realization of economic reforms. Without regard to the above-mentioned contractual agreements covering mutual economic ties, we have, in practical terms, rendered these ties more complicated for ourselves. Even if we disregard the unpleasant bureaucratic burden imposed upon mutually cooperating and trading Czech and Slovak economic entities, we have limited an already quite small market for ourselves. And this occurs at a time when relatively few Czech, not to mention Slovak, products are capable of competition on a world and West European scale to their full extent. This is occurring at a time when the long-lasting economic recession continues to substantially worsen the access of our goods to West European markets because, despite all verbal assurances to the contrary, the majority of the developed countries are tending to adopt strict protectionist measures. Moreover, even though Europe is taking this fact into account, only a few people fully understand why, at a time when the western portion of the continent is integrating economically—and we tend to stress our membership in

that portion of the West—precisely the opposite processes are taking place in our country.

It Is a Matter of Entering the EC

It is the declared goal of the Czech Republic as well as the Slovak Republic to not only achieve the most rapid association with the European Community (EC) but also, and primarily, to enter, with full rights, into this top West European organization, an organization that, however, is today not only representative of an unprecedentedly developed common economic area but that is becoming a more and more integrated political community. That is why the road to the EC does not lead only via a domestically and internationally developed truly modern economy (in other words, it is not based on some attributes of the last century of which the economy may be proud) but even via a highly democratic social system and deeply developed international political relationships. It is not by accident that our road (and not only our road) to the EC runs via the European Council. And it is not happenstance that the EC has an expressed interest in our active participation in the Visegrad Four and is very carefully monitoring not only our activities in this grouping but also our future economic and political actions as they impact on East Europe and Europe in general.

We Have a Lot To Learn

We do have a lot to learn. And this is a matter of not only "pure" economics but also of internal and foreign policy, of the cultural nature of this policy.

After all, if the EC is encouraging us to become highly active in terms of participating in the work of regional groupings, such as represented primarily by the Visegrad grouping, it is definitely not doing so in order that we should establish some kind of "unsuccessful" competition for "it." It sees much better than we, looking as it does from Brussels or Strasbourg, that, despite all of our differences, our four postcommunist countries have many identical or similar characteristics and are encountering the same or very similar problems. And, from its own experiences (primarily from the postwar period of common reconstruction in West Germany), it also knows that, despite the fact that this term is not exactly popular in our country after years of misuse, matters are solved more easily collectively than if everyone were to "go it alone." Moreover, it obviously considers the Visegrad Four to be a very good training ground for economic and political integration and for culture. Despite the fact that members of the EC are tactful, they are not blind, and, undoubtedly, the occasional effort by one or another of the Visegrad partners to "best" the others in one aspect or another and to "trump" them is not concealed from them. They thus see in regional cooperation among countries that are close to each other—whether we like it or not—the possibility of

practically learning the basics, without which the existence and activities of the present EC could not manage, without which we will also not achieve membership in the EC.

As far as the European Council is concerned, here we should prove how well we can care for the preservation of human rights across the giant scale of this concept. This means not only civil rights and political rights but also economic rights, social rights, and cultural rights. Moreover, because the appropriate standards of the European Council are binding upon all member countries, the adaptation (even though it may be forced) of our internal legislative system and political system to European standards will undoubtedly make preparations for membership in the EC easier. And activities within the European Council will also undoubtedly act to "refine" our political culture.

Europe Is More

However, Europe is represented not only by the EC. Europe is not only a substantially greater area, but even a very complicated economic, political, ethnic, and cultural organism. And, unfortunately, the West is substantially more aware of this than we are, we who, it seems, are increasingly "immersing ourselves" in our own problems and difficulties; at most, we are willing to look behind our closest backyards. (And we are generally willing to do so only when the problem begins to impact on us immediately, as in the case of the new political asylum policy of the FRG.)

It is not by happenstance that the EC is strongly involved in efforts to extinguish the fire of war in the former Yugoslavia, that, particularly as far as the economically strongest country of Germany is concerned, it is trying all manner of things to assist even the decimated "successors" of the Soviet Union. And it is far from being a happenstance that the activities of the EC, both internally and externally, are showing increasing evidence of the prevailing elements of mutual solidarity, that even in the Maastricht document solidarity and assistance to the "weaker" and poorer are very strongly expressed.

In All Directions

Even we should be aware that, in the end, we will not gain anything by completely "rejecting" those whom we know or believe to be worse off than we are. The notion that we can in that way more rapidly join the EC or NATO is completely false. And, by putting our heads in the sand in the face of the problems of our eastern neighbors, we are only "preparing the ground" for much greater problems. An example of this can be the previously mentioned problem of the wave of unwanted migrants (primarily economic ones) from Romania and the former Soviet republics, a problem for which the actual, though not short-term, solution lies primarily in economic prosperity in the countries of origin of those refugees.

Certainly we are not a rich country. We are reworking our economic and political system "from the ground up," but that does not entitle us to expend modest efforts to share in assisting those who are even worse off. And we are not entitled to conduct ourselves and to look like we might be the "umbilicus" of Europe, like the "well" of the only true thoughts and ideas.

In our efforts to join the structure of the rich West, we cannot completely forget either the poor and decimated east or the southeast of the "old continent." Our economic and political activities should radiate in all directions. And that is so not because someone is demanding that we do so but primarily because there is truly only one Europe, and, in the end, there will clearly be total integration—in other words, even the universal integration of those who can, for the time being, only dream of it.

The integrational processes that preserve the uniqueness of national ethnic and cultural movements are already ongoing, even without taking our wishes into account. And they will clearly be more intensified and will continue over time. Whether the results of this process will be called the Common European House, the Confederation of European States, the United States of Europe, or something completely different is, after all, not decisive.

Which Course To Select?

What then should the Czech Republic and the Slovak Republic do so as to join alongside those countries that are at a high economic and political level as quickly as possible? The prescription is downright "suspiciously" simple; its realization, however, is very difficult.

First, we should put our own house in order. That means that we should strive to universally develop our economy, not, however, by taking "mile-long steps" toward the capitalism that existed at the turn of the century but by focusing our attention on a mature social-market capitalism. In other words, so as not to provoke those who are obviously confusing social attributes with attributes of socialism, we should focus on a market-social system. (And, by the way, in recent times, for example, even in the EC, there are an increasing number of voices to be heard that claim that the new system is actually no longer a capitalist system.)

Also, we should, as soon as possible, bring our political order to the level of the best European democratic standards. This means not "aping" others but, in harmony with the best traditions of Czechoslovak democracy, legislatively and morally supporting the full preservation of all human rights and the development of a political system to benefit each of our citizens.

There is no doubt that both the economy and politics are very closely connected, that the level of one determines the level of the other. Economic and political development should thus occur simultaneously and go hand in hand.

And that is not all. The Czech Republic and the Slovak Republic should, at the same time, develop their international economic and political ties. And that should be done not on a unilateral basis but in all directions and with all the means at hand. The number of opportunities here is innumerable, but in terms of cooperating with the EC, with the European Free Trade Association, and within the framework of the Visegrad grouping and other regional or even bilateral associations. Also, such broader "European" institutions as the CSCE offer us the opportunity for active participation in all-European activities. And this is all the more likely because Czechoslovakia has had a high degree of credit with the CSCE from the very beginning.

Certainly, it is easy to say but harder to realize. Of course, how quickly we join the ranks of the prestigious countries of Europe depends primarily on us. We bear our own share of responsibility—even though it may be negligible—for seeing to it how rapidly Europe becomes an actual secure, balanced, developed whole.

* Government, Employers, Unions Sign Agreement

93CH0497A Prague HOSPODARSKE NOVINY in
Czech 12 Mar 93 p 9

[Text of "General Agreement of the Czech Republic for 1993"]

[Text]

Part I

General Provisions

The General Agreement in the interest of maintaining social harmony has been concluded by: the Government of the Czech Republic (hereafter referred to as the government), the Confederation of Businessmen and Employers of the Czech Republic for employers (hereafter referred to as the employers), and the Czech-Moravian Chamber of the Labor Unions Federation and Confederation of Arts and Culture for labor unions (hereafter referred to as the unions).

Article 1

(1) The General Agreement delimits the obligations in the area of economic and social policy, particularly in the employment, wages, other incomes, and social security sectors.

(2) The contracting parties will share, within the framework of their activity, in the creation and realization of the economic and social policy, while their course of action will be subject to mutual consultations in the Council of Economic and Social Agreement [RHSD]. They will pay special attention to economic, social, and regional problems that could become sources of social tension.

(3) The contracting parties consider their main goals to be the realization of further steps in the economic and social reform, while maintaining social harmony, the stabilization of the Czech economy, and the creation of conditions for its long-term development. Conditions for entrepreneurial activity and economic growth are the subject of the program of cooperation between the government and the entrepreneurial associations.

Article 2

(1) Employers and unions shall reflect the obligations flowing from the General Agreement in their collective contracts. In instances where state agencies act as employers, the appropriate obligations will be fulfilled by the government.

(2) Unions and employers will negotiate together about concluding higher level collective bargaining agreements and supporting collective bargaining in enterprises (entrepreneurial entities according to the Business Code), with the aim of creating, through higher level union contracts, the conditions for achieving economic and social objectives in enterprises and for enterprise union contracts.

(3) The contracting parties shall support, under conditions laid down by law, the broadening of the validity of the higher level collective bargaining agreements. At the same time, the labor unions shall not demand the broadening of union rights and obligations of the contracting entities.

Article 3

The General Agreement does not establish individual entitlements of employees.

Article 4

(1) The government shall endeavor to maintain the continuity of the rule of law after the division of the federation, and to guarantee legislative provisions in areas that until now have been the province of the federation and were transferred to the Republic, especially in the area of employment, income, taxes, and social policy.

(2) The contracting parties shall respect the agreements of the International Labor Organization, ratified by the Czech and Slovak Federal Republic.

(3) The government shall submit proposals for new laws and regulations or modifications in the area of employment, income, taxes, and social policy to the legislative assembly after discussions with the social partners. If an agreement is not reached, the government will submit to the legislative assembly its draft law together with the position of its social partners.

Article 5

Employers shall not impede the exercising of union rights, especially of free assembly and collective bargaining and the performance of activities according to Section 136 of the Labor Code.

Article 6

(1) The contracting parties shall encourage a mutual exchange of information and consultations between the RHSD of the CR [Czech Republic] and the RHSD of the SR [Slovak Republic], especially in areas that have significant impact on the economic and social situation in one of the republics, branch, or region.

(2) The contracting parties shall provide information to each other on socioeconomic developments, to the extent agreed upon in the RHSD.

Article 7

Employers and unions shall determine the conditions under which representatives of higher labor union agencies shall join organizations.

Part II

Active Employment Policy

Article 8

(1) The government shall, within the framework of its economic policy, pursue an active employment policy, giving support especially to

- the creation and realization of retraining programs,
- the creation of new jobs,
- the realization of public works,
- the development of entrepreneurship.

It shall set aside for this purpose at least 25 percent of the resources allocated for employment. In using these resources, it will apply a differentiated approach according to the situation on the labor market in individual regions and the effectiveness of individual projects. In case of need, the established percentage can be modified following an agreement among the contracting parties in the RHSD.

(2) Employers and unions will share in the planning and realization of retraining programs and, when necessary, in establishing retraining centers.

Article 9

The government shall pay constant attention to measures designed to increase the employment of school graduates, of young people who have completed their school attendance, as long as they do not continue further training for a profession, and of handicapped citizens.

Article 10

(1) Labor unions and employers shall cooperate, within the framework of their membership in advisory boards, with labor offices in constructing and realizing regional employment programs and utilizing state support for entrepreneurial activities.

(2) In dealing with situations in regions where unemployment reaches a level that poses danger to social harmony, the government shall make every effort to see to it that, in cooperation with social partners, the necessary measures are approved without delay.

(3) As a rule, unions and employers shall determine in the union contracts for 1993 specific procedures for laying off employees for organizational reasons.

Part III

Wage Policy

Article 11

Every quarter, the contracting parties shall regularly review the development of wages in relation to the development of consumer prices and evaluate the effects of the liberalization of wages with respect to the inflationary risks, the competitiveness of enterprises, and the situation on the labor market. They will base their review on total wages without separating them into components.

Article 12

(1) The contracting parties shall endeavor to keep up the recommended wage increases, which are based on the rate of economic growth and the rate of inflation, and on maintaining the level of real wages. In the entrepreneurial sphere, the social partners will base their collective bargaining on the principle that wages are dependent on work performance and on the economic efficiency of the enterprises.

(2) From the macroeconomic point of view, the contracting parties shall monitor the real increase of nominal wages in the entrepreneurial sphere against the same period of the previous year. The government shall propose a measure that will influence the development of nominal wages in the entrepreneurial sphere, if their real increase against the same period of the previous year exceeded in the previous quarter by more than 5 percentage points the increase of consumer prices noted for the same period. The proposed measure for the next period of the year shall be first discussed in the RHSD.

Article 13

In the first six-month period of 1993, the government shall:

a) adjust, depending on the development of consumer prices, the legal provision that determines the minimal wage tariffs and other minimal wage entitlements of employees in the entrepreneurial sphere, whose wage

conditions are not determined by a union contract; this adjustment will not affect the level of the minimum wage;

b) evaluate what has been learned to date and adjust legal provisions concerning the wages of employees of budgetary and some other organizations and agencies, bringing them, if necessary, in line with the wages in the entrepreneurial sphere, so that the rate of increase of total wages in the mentioned organizations and agencies is not slower;

c) draft proposals of legal provisions for wage conditions of members of armed and other units that came under the purview of the CR, with the aim of removing unjustified differences in the existing legal adjustments,

d) draft a proposal for the principles of the law on Civil Service.

Article 14

The contracting parties shall support further development of the information system on the value of work, which provides in an anonymous manner the ascertained data on the level and differentiation of wages of employees of a selected sample of employers according to individual tariff levels and professions, branches (sectors), and regions, and broadening it to include information on agreed-upon terms and conditions of employment.

Part IV

Social Policy

Article 15

The government shall guarantee the proper use of means obtained from employers and employees as insurance premiums for social security and contribution to the state employment policy and carried in special subaccounts of the budget on a priority basis for appropriate needs, and will inform social partners quarterly about the use of these means, including the draft of the annual settlement.

Article 16

The government shall draft a law on supplementary pension systems and submit it during the first half of 1993 to the legislative assembly.

Article 17

In the first half of 1993, the contracting parties shall evaluate the proposed provisions of the law on personal injury insurance. The government shall draft the law on personal injury insurance and submit it for discussion to the legislative assembly so that it can go into force by 1 January 1994 at the latest. This law will be based on the principles of general legal responsibility for insurance by

employers for work-related injury, and implemented by the accident insurance companies created for this purpose.

Article 18

The government and labor unions shall set up a parity group that will draft proposals in the area of budgetary and contributing organizations, take positions on behalf of the RHSD on the proposals and measures concerning this area, and prepare recommendations for enterprise union contracts in the budgetary and contributing spheres.

Article 19

In all organizations that are not state enterprises, employers and labor unions shall support the creation of an employees' social services fund, if its creation is requested by the employees. The procedure for creating, using, and managing the fund shall be determined in union contracts or other agreements concluded between the employer and the labor union organization. The partners will support the use of the remainder of the FKSP [Cultural and Social Services Fund] as the basis of the fund, making installment payments on loans given by the FKSP part of the revenues of the thus-created fund. Employers will make decisions about the fund independently in instances where labor unions are not active in the organization.

Article 20

(1) The contracting parties shall create the conditions for and, when they are met, push through the adoption of ILO [International Labor Organization] covenants, in particular:

- No. 81/1947 and No. 129/1969 on work inspection,
- No. 117/1962 on basic goals and the level of social policy,
- No. 135/1971 on workers' representatives,
- No. 144/1976 on tripartite consultations on international labor norms,
- No. 151/1978 on labor relations in public services,
- No. 154/1981 on the support of collective bargaining.

(2) The contracting parties shall designate a tripartite work group of RHSD experts, which will study the possibility of the CR's abiding by individual articles of the European Social Charter and provide appropriate recommendations in this respect during the life of this General Agreement.

Part V

Closing Provisions

Article 21

(1) The fulfillment of obligations included in the General Agreement shall be reviewed every six months by the RHSD.

(2) The contracting party that does not meet the accepted obligations according to the General Agreement must inform the other contracting parties why it did not do so. The other contracting parties then have the right to take a public stand on the reasons offered.

Article 22

(1) Any one of the contracting parties can submit for discussion proposals for amending or updating the General Agreement, or for measures guaranteeing its fulfillment. The other contracting parties are obliged to discuss the proposal. The discussions must be concluded within 30 days after the proposal is submitted.

(2) Until any possible amendment or supplement to the General Agreement is adopted, the contracting parties are bound by its present version.

(3) Any possible supplement or amendment of the General Agreement does not affect the validity of the collective contracts concluded on the basis of this General Agreement.

Article 23

This General Agreement goes into force on the day it is signed.

Prague, 11 March 1993

* Chairmen of Business Associations Voice Concerns

93CH0497C Prague EKONOM in Czech 10 Mar 93
pp 33-34

[Article by Jaroslav Hejkal: "To Play the Simultaneous Chess Game With Dignity"]

[Text]

Joining the Tripartite Group With an Armful of Problems—Irresponsible Statements Addressed at Businessmen—Situation Still Not Rosy for the Farmers—Small Businessmen Are Not the Enemies of the People

In all countries with a market economy, entrepreneurship is the engine of the development of the living standard and of social progress. It is therefore in our common interest that, in our country, too, entrepreneurial entities are as prosperous as possible. Of course, to be successful, entrepreneurs need the right conditions and the necessary assumptions.

We held a roundtable discussion about what they expect from the first year of the independent Czech Republic's existence, and what main problems and concerns they have, with members of the Coordinating Council of the CR [Czech Republic] Business Associations.

Taking part in the discussion were:

- Rudolf Beranek, chairman of the CR Association of Businessmen
- Ladislav Bechyne, chairman of the Council of CR Professional Associations
- Eng. Pavel Ernst, secretary general of the Union of CR Employers Associations
- Eng. Jan Fencel, chairman of the Czechomoravian Association of Agricultural Cooperatives and deputy chairman of the Czechomoravian Agrarian Union
- Eng. Borivoj Frybert, president of the Czech Association of Managers
- Eng. Bretislav Ostadal, general director of the CR Association of Industries;
- Eng. Milan Veverka, C Sc [Candidate of Science], acting chairman of the Coordinating Council of CR Business Associations and chairman of the Association of Builders in the CR.

[Veverka] Our common concern is to see that at least the most pressing problems that prevent the development of entrepreneurship here are resolved rationally. The most important one is to maintain the liberalization of not only prices but also wages. That is something new for this year and will require not a little effort and responsibility on the part of all participants in the tripartite group. Another of our endeavors is to speed up the entire privatization process and make it more predictable. The method and rate at which it is now being conducted puts many enterprises into a very difficult situation.

We also feel strongly that the tax system should be acceptable to the state as well as to businessmen, which cannot be said for it at this time. The point is to enable both systems—in the social security as well as in the entrepreneurial area—to function efficiently. To that end, our Coordinating Council is drafting a small amendment to the tax laws. At the same time, we are drafting a proposal for a general agreement with the government, as well as an agreement on cooperation. Other matters, such as creating competent management and an engineering base, or ensuring the quality of manual labor, are our internal concerns.

[Karen] I see a very serious problem for businessmen in the fact that, at the beginning of the year, they were publicly vilified. According to the statisticians, retail prices rose in January in comparison with December, altogether by 8.5 percent on the average. That means: If the government assumed that, with the introduction of the value-added tax, prices would rise somewhere in the range of 6 to 8 percent, it was mostly on target, and all of the statements about the "criminal" businessmen who

"tagged on" unjustified fat profits to this tax are irresponsible. Of course, various administrative procedures also played a role, but these were taken care of during January.

On the other hand, of course, the prices did not reflect all of the increased costs to businessmen generated by the new taxes—for example, the highway use tax—contributions to social and health insurance, and other higher costs of inputs. It is a fact, of course, that the last price increase of gasoline showed up mostly in the prices of daily necessities because they must be shipped every day. Therefore, if costs to businessmen continue to increase, it must be expected that prices, too, will continue to rise correspondingly, and the businessmen cannot be blamed for it.

[Fencel] Nonetheless, farm prices fell at the beginning of the year; they fluctuate between 94 and 96 percent of the prices farmers were getting at the end of last year. Therefore, only the farmers did not reflect the increased costs of inputs in the prices of their products, in spite of the fact that last year they worked without even a reasonable return on investment. So their problems in fact worsened this year. It must be kept in mind, therefore, that farm prices will begin to move. If the increase of prices of farm products is not to be substantial, there has to be a discount in the price of some inputs into agriculture—for example, energy. And so we are actually back to the "green oil." The problems of agricultural inputs must be resolved, and we shall therefore initiate the process this year. Because if this were to go on and the gap were to keep widening, it would mean the end of agricultural entrepreneurship here.

[Bechyne] Small businessmen are being attacked in the press because of the January jump in prices, for allegedly using that kind of discount not only to cover their higher costs but also to further increase their profits. Few people realized, however, that, since the New Year, the rentals for their shops went up, shippers are charging more for delivering goods, they must pay various new fees, and so on. So they have no choice but to make up for all of that through higher discount.

Our council has now prepared a specific list of the increased costs for small businessmen from the beginning of this year, and it would like the public to know about it. The public would then certainly not view small businessmen as some kind of scoundrels, even if it is a fact that, during the past 40 years, we became accustomed to thinking of small businessmen as enemies of the people. We should disassociate ourselves from that view forever and, at the same time, realize that a small businessman is actually the first one to begin creating new job opportunities for people here. And that he is, in fact, also the embryonic future entrepreneur, on whose successful business activity our state treasury is dependent to a considerable degree.

[Baranek] This year we will be faced with a huge number of problems, and our Coordinating Council wants to

share in dealing with them. There is, for example, the entire unresolved problem of economic relations with Slovakia, and also the question of maintaining social peace. I would like to emphasize that the position of our council in the tripartite group is substantially different from what it was a year ago, for example. And, I would like the public to know that, despite the opposition of the government, because I cannot forget the efforts to downsize the tripartite group after the elections and thus restrict our influence in it, although we represent approximately 70-80 percent of all entrepreneurial entities in our country.

Unfortunately, our great enemy is also the general anti-business atmosphere in the society, to which this January some government representatives contributed by their irresponsible and untrue statements. If the Czech minister of finance says that the post-January price increase was a crime committed by businessmen, he either has a "pink adviser" or spoke without thinking. If the second is the case, he should put things right. Otherwise, we intend to demand that mistakes in some new laws be corrected and that the tax burden on the small and medium-size businessmen, which is unbearable for them, be alleviated.

The Legislation Is Targeted—Murky Privatization—Experts Should Share in Decisionmaking—Managers Need Stabilized Conditions

[Ernst] The drafting of the appropriate legislation is one of the main objectives of our work in the tripartite group. We shall focus especially on an amendment to the law on social security and health insurance and on the Labor Code. Simultaneously, we want to reach some kind of agreement with the government and the labor unions on wage increases, designed to prevent runaway inflation. From the standpoint of employers, however, it is no longer possible to continue setting wages only in relation to the price increases. The branches and lines of business, the character and kind of work, and, particularly, the efficiency of the enterprises must also be taken into account. Also important will be the issues of apprentice training, research and development, and education.

We are preparing a program of cooperation with the Czech Government for this year; it should cover three main areas. In the first one, we want to cooperate on analyzing the effectiveness of laws that determine the conditions for entrepreneurship and on drafting amendments to them. At issue will be primarily the law on small businesses and the tax laws, but also laws that concern industrial branches, such as energy and transportation. We also want to share in the realization of the economic reform. We stand ready to assist the government in speeding up privatization and in resolving problems such as support for exports, temporary protection of the domestic market, and enterprise insolvency. Finally, we want to take a position on industrial and structural policy, where we still have the greatest trouble finding common language with the government.

[Ostadal] The fact that privatization has come to a virtual standstill creates a particularly unfavorable situation. The large enterprises, in particular, but the middle-sized ones as well, live with great uncertainty. The coupon privatization is behind us and the owners are often known, but there are delays in turning over the ownership rights. As a result, the enterprise managements wait to make important decisions. They do not want get involved in any conflicts and are merely trying to somehow keep the enterprises going. For that reason, we want to see to it that ownership rights are quickly turned over to those to whom they belong.

Another problem is that the method of carrying out privatization plans has become rather murky. The situation is such that decisions are made by a small circle of people, who saw a factory only from an "express train." I believe that, in this instance, the potential of people who have gained real expertise in practice should be used. And they should not be foreign experts because they create nothing but confusion here since they are not familiar with our specific conditions. Also, it is a mistake that here—as it is, for example, in the former GDR—privatization is not realized through the existing enterprise management. In my opinion, that would be an appropriate method because, if the managers fall into debt and become co-owners, they have to exert a maximum effort to make the enterprise profitable.

[Frybert] Stabilized conditions in an enterprise are really very important for managers. Otherwise, they are unable to make any strategic decisions, not to mention the fact that, without clear ownership rights, they cannot make use of credits or solve liquidity problems. Such an enterprise then necessarily stands on very wobbly underpinnings, and, if the situation persists for any length of time, the enterprise is in danger of going under. This year, therefore, we want to do all we can to help stabilize the conditions for managerial work. And we also intend to promote the axiom that a manager is not importable. If the development of a Czech managerial group is not supported, we shall find ourselves in a situation where it will be difficult to find competent directors for the privatized enterprises. After all, even today it is a problem to find a good manager because not everyone who claims to be one actually is one.

Before Those Who Have Courage Lose It—Ideologized Privatization Only Harms the Program—Partners on the Field of Power

[Fenc] In agriculture, only one state farm has been privatized to this day. I am afraid that, if it takes much longer, there will be nothing to privatize. I see no other possibility than to privatize state farms by direct sale to those stalwarts who still have not lost the courage to take them on. Otherwise, cooperatives have already been de facto transformed, so that, besides the state farms, we have only private landowners, the majority of whom opted for large-scale farming. However, I would like to add that, if conditions that are usual everywhere in the world are not created for our farmers, it will result in

serious problems for the social conciliation in our republic. Farmers can no longer afford to rescue the economic reform by tens of millions of korunas, as happened last year.

[Karen] The fact is that privatization here has been politicized to such an extent that, in many cases, it makes the already bad state of our agriculture even worse. For example, for ideological reasons, it was not possible to privatize enterprises that process agricultural products by the cooperative method, although that has proved advantageous everywhere in the world. The result is that those enterprises are being bought up very cheaply by foreign firms, which leads to a decline of our own food industry and even harms the interests of our farmers.

[Veverka] The mission of our council must be viewed from two angles. First, it must unify the sometimes very

conflicting interests of its members because it includes not only our heavy industry but also midsize and small entrepreneurial entities in industry, construction, agriculture, and services. At the same time, the members know that one sphere is dependent upon the other, and they have many identical problems they must resolve together.

The other function of our council is to participate on that field of force, where there stand, besides the entrepreneurs, their social partners represented by labor unions and the state power represented by the government. That field must always be in some kind of balance for society to be able to develop. In contrast to our partners, we, representatives of the business associations, began to build on that field after 40 years on "virgin ground," without any background. Nonetheless, we want to play on that chessboard the simultaneous chess game with our partners with dignity and responsibility.

*** Orban: SZDSZ-FIDESZ Pact Setback for MSZP**

93CH0491A Budapest MAGYAR HIRLAP in Hungarian 6 Mar 93 p 1

[MTI report: "FIDESZ Is Preparing for Governing Role"]

[Text] "Recently, there have been changes in Hungarian public life that were harmful primarily to the Hungarian Socialist Party [MSZP]" said Viktor Orban. "After all, it is obvious that the pact among the liberal parties minimized the chances of the MSZP running successfully in the 1994 elections, because by the second balloting round (which is part and parcel of Hungarian electoral law) the Socialist Party will not find an election partner." As to what extent would the FIDESZ [Federation of Young Democrats] wish to change the governing apparatus, if it won the election, Viktor Orban said that for almost a year the FIDESZ has been formulating norms, regulations, and ethical codes in preparation to inaugurate smooth personnel policies in the postelection period.

His party always held the view that there ought to be a staff of experts in the cabinet and in the state administration who are not touched by political changes. "Of course, this does not mean," said the FIDESZ faction leader, "that incompetent 'professionals,' placed in office by the previous regimes, can consider these important posts as long-term political sinecures for themselves." It is difficult to give precise figures as to the state of preparations, but, in any event, at this time the FIDESZ figures that elections will be held in the spring of 1994. "Of course, we are also prepared for the extraordinary eventuality that we have to accelerate and reschedule our plans for September or October of 1993," said Viktor Orban. He emphasized: "One of the frequently criticized aspects of the Antall government is related to the way the economic leadership operates. Having learned from that, the FIDESZ pays special attention to selecting and collaborating with individuals who are potential holders of economic posts in the cabinet."

*** Orban Criticizes Socialists, Charta**

93CH0494A Budapest PESTI HIRLAP in Hungarian 4 Mar 93 p 3

[Unattributed report: "Orban Fears the Left: Debating Evening at the Foreign Trade College"]

[Text] It is to be feared that Lithuania's example may repeat itself in Hungary, Viktor Orban, the leader of the FIDESZ [Federation of Young Democrats] caucus in the National Assembly, said in the debate held last night at the College of Foreign Trade. The other invited guest was Imre Konya, the leader of the MDF [Hungarian Democratic Forum] caucus. Viktor Orban reproached the Socialist Party, which is regarded as the successor of the former state Communist Party, that it often acts and

speaks as if it were not responsible at all for the country's present plight. It is blaming the present government for everything, which is a distortion. In Viktor Orban's opinion, among the parliamentary parties it is the two liberal parties, rather than the Socialist Party, that will have to defeat the ruling coalition in the election. Because, he said, the Kadar regime must never be allowed to return. On that the two politicians were in full agreement.

In response to a question, the leader of the FIDESZ caucus said that Democratic Charta also harbors the danger of the left's return. As he pointed out, he had no trouble with the Charta as long as it functioned as a political movement. But now he is concerned because ever more people are being included in the movement's leadership who also occupy various party posts. A movement, Viktor Orban declared, must not become the victim of battles between political parties. Through their various contacts, the leader of the FIDESZ caucus believed, the intellectuals in the Charta could reinforce the voters' feeling that "it was better under the Kadar regime," and that all forces must unite against the present ruling coalition.

Concurring, Imre Konya welcomed Viktor Orban's words and praised the effectiveness of the change of political systems. The present ruling coalition deserved the credit for that, Konya claimed. The leader of the MDF caucus also said, among other things, that nobody had been dealt even a slap.

Together with Democratic Charta, the question of the Hungarian-Way Circles was also raised. Konya declared that although the objections to interlocking positions within the MDF and the Hungarian-Way Circles were valid, the resolutions adopted at the meeting last week of the senior coalition partner's presidium unambiguously clarify the relationship between the movement and the party. In conjunction with this, Viktor Orban noted that he did not wish to comment on the Hungarian-Way Circles, because that was an internal matter of the MDF.

*** Interviewer To Sue Csurka Over Dispute**

93CH0491B Budapest MAGYAR HIRLAP in Hungarian 8 Mar 93 p 5

[Article by Tvrtko Vujity, including text of letter by Croatian journalist Branimir Baron Brljevic: "Istvan Csurka Is Sued for 100,000 German Marks by a Reporter of the Croatian Paper GLOBUS; Like an Elephant in a China Shop"]

[Text] There are further twists in the already complicated affair of Istvan Csurka vs. GLOBUS of Zagreb. As is known, Csurka referred to the interview he gave to GLOBUS as a provocation, while the journalist who recorded the conversation repeatedly emphasized that GLOBUS published just what Csurka said. Thus, the question arose: Is there proof? Everyone started talking about an audio cassette: If it does not exist, Csurka stands to win; on the other hand, if it exists, then Istvan

Csurka may find himself in a difficult situation. During the past few days, I have talked several times with Branimir Baron Brljevit, the popular journalist who is known in Croatia as B.B.B. Brljevit, who has become famous for his exclusive interviews (this week he talked with Todor Zhivkov); he keeps insisting that he can prove everything. Whether the guilty party is Csurka, the journalist, perhaps the interpreter, or even GLOBUS, which published the item, the most unpleasant outcome of the affair will be (and this is reflected by opinions voiced in the Croatian media) a damage in the trust Croats have shown toward their best neighbor, Hungary.

Sunday morning, following one of the numerous occasions on which we have analyzed events, Brljevit sent me the following letter, which I release to MAGYAR HIRLAP without additional comments.

Dear Mr. Vujity:

I have enclosed the translated text that I have sent to Mr. Vajda, of NEPSZABADSAG, in a German version.

Yesterday, Saturday, during the most popular program of the Hungarian Radio, "168 Hours," they broadcast a conversation with me concerning my interview with Istvan Csurka, which was titled "If We Had an Army, We Would Get the Baranya [region] Back for Hungary." This interview with Csurka, which created quite a disturbance in Hungary, was presented in a correct manner, except that, at the end of the program, the journalist Vilmos Kovacs stressed that I intend to sue GLOBUS on account of the title. This was the only inaccuracy. I suppose Mr. Kovacs misunderstood me when I said that I will take Istvan Csurka to court, because he stated that I invented several parts of the interview. I have incontrovertible proof for every word uttered by Csurka, so tomorrow, on 8 March, I will go to my lawyer to initiate a lawsuit against Csurka. I will ask for the compensatory payment of 100,000 German marks, even though I know that there can be no price tag put on the damage suffered by my reputation. Still, this is one of the ways Mr. Csurka ought to be cautioned to be careful when he libels someone. I will be happy to give the money to any Hungarian organization that cares for refugees from my country, Croatia. As for the GLOBUS article, the title I proposed was "I Only Wish to Defend My People." The title given by the editors is an exaggeration; however, Csurka did state that Hungary has neither the economic nor the military strength to retake the areas that used to belong to it prior to the Trianon peace treaty. In other words, I am not responsible for the title, but I take full responsibility for every word that appeared in the article, and guarantee that they are genuine.

Does Csurka feel that everyone in the world (from THE LOS ANGELES TIMES, SPIEGEL, LA REPUBLICA, and THE TIMES, to GLOBUS) despises him? And the world despises Csurka, because he is so great? I reiterate what I have said earlier: Csurka is like an elephant in a

china shop. Let us not forget that an elephant may break under his own weight. Or, as in this case, under the weight of his own lies.

—Branimir Baron Brljevit

*** MSZOSZ Chief: 'New Political Opportunities'**

93CH0491C Budapest MAGYAR HIRLAP in
Hungarian 3 Mar 93 p 3

[Interview with Sandor Nagy, president of the Federation of Hungarian Trade Unions, by Judit O-Varga; place and date not given: "It Is a Mistake To Enter an Inflexible Alliance"]

[Text] *The parties may indeed be interested in preventing the establishment of local autonomy in managing the affairs of health and welfare, says Sandor Nagy, president of the Federation of Hungarian Trade Unions [MSZOSZ]. Still, during his recent discussions with the Christian Democratic People's Party [KDNP], the Alliance of Free Democrats [SZDSZ], and the Hungarian Socialist Party [MSZP], he did not discover any sign of ulterior motives.*

[O-Varga] Thus far, the MSZOSZ did not enter into dialogue with any of the parties other than the MSZP. Do the discussions of the last few days indicate that the MSZOSZ is striving to expand its activities in domestic politics?

[Nagy] In more than one sense: On the one hand, based on the good relationship we have developed with the government, management respects our locals at the workplaces and in the countryside. At the same time, the socialist, social democratic, Christian democratic, and Christian-social aspects of its platform enables the MSZOSZ to explore new political opportunities.

[O-Varga] The parliamentary parties could justifiably have reservations concerning the establishment of autonomous local organs to manage the affairs of health and welfare, which was designated to be the topic of discussion. The lawmakers could feel that these bodies, with a budget of 600 billion forints, threaten to become a sort of a second parliament.

[Nagy] There is much truth in that. Still, I have not detected any sign of this sort of thinking in the course of our negotiations. All three parties assured me that they would support the local autonomy to manage the affairs of health and welfare, and would mobilize the population to ensure a high turnout.

[O-Varga] According to some opinions, the MSZOSZ is one of the country's better organized bodies...

[Nagy] I think that is an exaggeration. On the other hand, it is true that we are a viable organization, which, in the eclectic situation that prevails in this country, is quite an accomplishment. In my view, the MSZOSZ is a reliable organization, and can be counted on as a partner.

[O-Varga] In view of next year's elections, perhaps the parties look at your organization with an alliance in mind?

[Nagy] There is nothing unnatural in that. However, a trade union cannot make the strategic mistake of rigidly committing itself to one party. Such an alliance would make normal cooperation with any other party impossible. We do not approve of the sharp polarization in domestic politics, and we try to carry on orderly dialogue with everyone.

[O-Varga] You have already discussed next year's elections with the socialists, but not with anyone else. Is it possible that, in exchange for getting their support in this year's balloting on local autonomy in managing the affairs of health and welfare, you would back the MSZP during next year's parliamentary election?

[Nagy] Whether one admits it or not, political life is made up of these kind of deals. I feel that, sooner or later, the parties will realize that employees should also be considered as potential voters.

[O-Varga] What kind of cooperation can there be between a party and a trade union?

[Nagy] The question is not easy to answer at this moment. The issue will soon be placed before our membership. I think we will formulate our expectations first, and match them against the actions and social sensitivity of the parties. After that, our members can decide on the concrete form of cooperation, or about their choice of candidates in the parliamentary elections.

* SZDSZ Seen Moving in 'Collectivist' Direction

93CH0468A Budapest UJ MAGYARORSZAG in Hungarian 9 Mar 93 p 8

[Interview with Gyula Takacsy, representative of the Hungarian Democratic Forum and head of the National Assembly's economic committee, by K. Jozsef Horvath; place and date not given: "Fifteen Points of a Slap in the Face"]

[Text] At first glance, the 15-point declaration of the SZDSZ [Alliance of Free Democrats] may appear to be a call for cooperation, but the opening sentence of the document leaves little doubt that it is nothing more than an ordinary slap in the face; this, among other things, is what we have been told by Gyula Takacsy, representative of the Hungarian Democratic Forum [MDF] and head of the National Assembly's economic committee, in a recent interview. He asserts, furthermore, that if it were in the spirit of this document that they went about restructuring the economy it would amount to the preservation of the old party-state structure. Moreover, Takacsy points out, if the Hungarian Government were negotiating with the International Monetary Fund in the spirit of these 15 points it would be impossible to reach an agreement.

"So far I have turned down all requests for interviews, and I have even started writing an article on the subject of the 15 points, but I stopped. To be quite frank the program declaration has been such an enormous disappointment to me personally that I am still reluctant to discuss it," prefaced his comments Gyula Takacsy. "I can safely say this, for having worked on the economic committee I have had the opportunity to get to know the ideas of several SZDSZ politicians, in light of which I can assure you that their economic philosophy is miles apart from what the 15 points contain. With some malice one might even say that after a long and difficult labor our liberal giants have given birth to a collectivist mouse. The document was also disappointing because it had been billed as something designed to promote cooperation. For if that is the case I do not quite understand how its authors can claim to have cooperation in mind, when for all intents and purposes the opening sentence of the document is nothing more than a slap in the partner's face. For how else could the following statement be interpreted: 'The Antall government is on its way out, and the incoming government will finally have a chance to get down to the business of leading the country out of its current grave situation.'"

[Horvath] If I understand you correctly, you feel that the 15 points offered to confront the problems of the economy have been motivated not by economic but by purely political considerations?

[Takacsy] Precisely. We are witnessing a return to the over-politicization of the economy, which is something that we would most definitely like to avoid. As a member of the economic committee, vice president of the Hungarian Economic Chamber, and participant in other forums, I have always worked hard to avoid treating economic issues in a politically packaged form, for such an approach cannot lead to anything good. Of course you cannot depoliticize the issue entirely; however, we must definitely do our best to avoid making politics the primary consideration.

[Horvath] What could possibly lead experienced economists to cast aside their professional convictions in favor of such a package?

[Takacsy] Once again I have to point to politics. The SZDSZ's aim was to issue a program declaration that was based mostly on economic themes, but was—without a doubt—fundamentally political in design. I should also emphasize that the well-known Hungarian-born Western economist, who in my opinion has played a key role in the drafting of this program declaration, is not thoroughly familiar with the most pressing problems of the Hungarian economy. However—undoubtedly for political reasons—they have decided to adopt his ideas. The reason why I can unequivocally say this is because even the SZDSZ's own economists are on record to have suggested publicly that the economy is in the same shape now as it would be if a government of different composition had been put at the helm of the country after the political system change. There are different opinions, of

course, but not when it comes to the main direction of our economic policy. The issues raised by the 15 points have never been voiced in this form before in the economic committee.

[Horvath] Then what could be the reason behind this change in positions? According to some, this is just another SZDSZ attempt to deceive society. Could this be true?

[Takacsy] I do not think that deception is the motivating factor here. It is quite possible, however, that in formulating the 15 points, elements may have gained the upper hand within the SZDSZ leadership, who have little experience in economic matters.

[Horvath] But if they chose not to proceed from reality, which even the opposition experts on the economic committee believe is the most solid basis to build on, and if their strategy is to challenge the present leadership to meet demands that lack foundation in reality—while working relentlessly to convince people that they are prepared to meet that challenge—then could you not easily expose their liberal demagoguery, and would this not be a case of trying to deceive society after all? What is your opinion?

[Takacsy] Looking at it from that perspective it is not impossible.

[Horvath] The document in question calls on the government to bring in independent economic research institutes to assess the situation of the economy. How does Gyula Takacsy feel about that?

[Takacsy] This is such an amateurish statement that it almost borders on comedy. It is the kind of demand usually made by people, who after having been away for a long time return to Hungary wanting to find out what is going on here. I want to point out that these kinds of situational analyses and prognoses are regularly being prepared by highly respected institutions, including the Economic Research Institute, the Koping-Datorg firm, Budapest Bank and Financial Research, Inc. Many of these espouse philosophies that are closer to the economic policy views promulgated by the SZDSZ in the past than to the ideas contained in the 15 points. In other words, it is incredulous to claim that somehow their reports and observations have been tailored to the liking of the government.

The materials compiled by the institutions are, for the most part, excellent. In one of its reports, for example, the Economic Research Institute has made it unequivocally clear that the only way we can stabilize our budgetary revenues is by introducing a two-tiered turnover-tax rate schedule. Anyone who is familiar with our domestic conditions, therefore, would know very well that independent organizations have been preparing economic assessments on a regular basis. And these data are available to anyone.

[Horvath] Does the information provided constitute a sufficient basis on which to build an economic program?

[Takacsy] I am convinced that it does not. The structural changes we are currently witnessing are of such enormous scale that however up-to-date they may be, no information base or statistical data collection can keep up with them. This is why time and again we have had scores of experts drawing seriously flawed conclusions and making terribly misguided projections. Here I could point to a number of exaggerated projections concerning the level of inflation, predictions warning about unemployment in the millions, which have turned out to be directly contrary to the fact, and the fundamental miscalculations concerning the restructuring of our debts.

The lack of information can also cause the government to make mistaken projections. The experts of the coalition, for example, had predicted the economy to bottom out in early 1992, which did not happen until the end of the year. It turns out that because of its closer contact with everyday life, the Economic Chamber has made more accurate estimates regarding when the bottoming out would occur than some of the scientifically based studies. This also proves that in this country you cannot rely solely on data generated in lab-like, smoke-filled research rooms. The SZDSZ economists are also well aware of this. Except perhaps the ones responsible for the 15 points.

[Horvath] Some claim to have detected a shift in the direction of the SZDSZ's economic policy that may create some uncertainties and thus be detrimental to the positions of a political party. The question, of course, is how the voters will react, and whether or not they will notice any significant differences between the new, and let us say the 1989 policy. How do you feel about that?

[Takacsy] I also feel that compared with the fundamentally liberal economic policy of 1989, what we see evolving are elements of a collectivist concept. But this trend is not limited to economic issues. One needs only to recall Ivan Peto's recent public dialog with Gyula Horn, or their subsequent pact with FIDESZ [Federation of Young Democrats]. So this collectivist and fundamentally leftist philosophy—it appears—is gaining ground among the Free Democrats in areas outside of the economy as well. One might even venture to say that the influence of the past 40 years has remained more pronounced among this group than among others. It should also be made clear, however, that in Hungary one cannot draw as clear a distinction among the various players of the political spectrum as one might in the West, for just as there are clearly left-wing politicians in the SZDSZ, the MDF also has liberals among its ranks. And if I recall the appearance by Matyas Szuros, Ferenc Kosa, and Jozsef Geczi of the MSZP [Hungarian Socialist Party] then—surprise!—we can even find people among the socialists who are populists-nationalists at heart. Everyone must realize, therefore, that Hungarian politics and our economic situation are not what had been envisioned—following the model of Western societies—

by theoretical economists and fancy scholars. For now we cannot expect the emergence of clear-cut formulas that are naturally present in a developed Western society and in a properly functioning market economy. We are in a period of transition in which we cannot provide cut-and-dry answers to extraordinarily complex questions. And if the questions are difficult in politics, they are even more so in the economic sphere.

[Horvath] The collectivist mouse, to use your allegory, has fallen prey to the market cat; in other words, the rediscovered wonder remedy of the liberal "giants" tenet has been all but discredited as a viable economic tenet. One needs only to recall the collapse of what used to be known as the socialist world order, or look back at the Yugoslav model of economic self-management. Yet the first two-thirds of the 15 program points are pointing in that direction. What does this indicate to you?

[Takacsy] The Yugoslav self-management model of the early 1950's may have served as an example to the participants in the 1956 Hungarian revolution as an alternative to the monolith of central management. The establishment of enterprise councils in 1985-86, which too bore the marks of self-management, was also a step forward given the economic and political system of the times. After all it was owing to their activities that foreigners took notice of the sprouting of market-like processes in Hungary. Moreover, it was the enterprise councils that had made possible the emergence of a stratum of enterprise managers that was ready to adjust to the new system and participate flexibly in the organization of our post-system change economy. Their efforts reached their zenith in 1992, as evidenced by the fact that of all the former socialist countries only Hungary was able to export more after the changes than under the old system. So in some cases self-management may be useful. But now, when every single party has committed itself to the expansion of our market economy, it is very difficult to defend.

[Horvath] If, let us say, the enterprise councils were given the right to veto, what would be the consequences?

[Takacsy] One of the SZDSZ's most prominent economists has regularly spoken with concern against preserving the old socialist enterprise structure. Yet that is precisely what giving the enterprises the right to veto would amount to. For the short-term interest of an enterprise council is to preserve intact the existing organization of their places of work in order to safeguard the livelihood of the employees. In the long run, of course, this would lead to collapse and the preservation of the old structure. This would be particularly damaging to large enterprises where change is already slower than in other places, and where the inertia is much greater than in smaller organizations.

[Horvath] Also included among the points is the Free Democrats' desire to expand parliament's oversight

powers, and require the government to report to it more frequently on various subjects. How do you feel about that?

[Takacsy] I suspect that here, too, political considerations were the main driving force. Everyone knows that the agendas of parliament's plenary sessions are extremely hectic already. During the remainder of its current session it faces the enormous burden of having to draft, among other things, a number of economic laws needed to supplement our existing system of market economic institutions. If instead of dealing with these matters at its full sessions parliament opted to spend its time debating specialized issues—with the usual demagogic embellishments—that could be much more effectively handled at other parliamentary forums, it would be making a terrible mistake. For if parliament fails to draft needed laws, if it fails to live up to its tasks, its reputation—which with relentless effort it has already worked to undermine with great consistency—will further erode in the public eye. Plenary sessions are not as well suited to productive discussions of specialized topics as are committee meetings, for example, where the parties are represented in the same proportion as they are in the full sessions. Therefore I firmly believe that the reports recommended by the SZDSZ should take place in the parliamentary committees. Hearings on the status of the budget, for example, should be held before the budget committee, which happens to be chaired by a Free Democrat, with quarterly follow-ups. The reports needed for the specialized discussions should contain month-by-month assessments of the status of the budget.

[Horvath] Does the work of the economic committee support this suggestion? For example, with respect to the issue of the world fair, which is also alluded to in one of the points?

[Takacsy] I could also give you examples from a number of other areas, but let us stay with the world fair. The committee has also sensed the tension between the capital city and the World Fair Program Office. Hence it has decided to request information from both sides, and on the basis of what it has learned to prepare a report. The issue is scheduled for debate during the latter part of March with minister in charge Bela Kadar, and Mayor Gabor Demszky present. The subcommittee meeting held the other day has already proven that the recommendation made sense as the two views have already begun to move toward reconciliation. And in addition to making good progress we have also gotten closer to solving problems that had been put off because of the conflicts. I was happy to see that both sides had welcomed us in the role of a catalyst.

[Horvath] You have mentioned the real possibility of demagoguery being injected into the lengthy debates of plenary meetings which should be avoided. Many have already detected signs of this in the 15 points, including the suggestion to pay those without work lump-sum unemployment benefits a year in advance. And perhaps there is also a trace of it in their insistence to boost

pensions by 16 percent while the government is recommending 14 percent. How do you see all of this?

[Takacsy] The proposal concerning unemployment benefits contains so many contradictions that it is not even worth discussing. With respect to pensions it should be noted that the Hungarian economy is characterized by over-distribution; in other words, the value of the gross national product is already undergoing a redistribution process that cannot be expanded beyond certain bounds. The simple reason being that the revenue producing capacity of the Hungarian economy is low. Hence the government is unable to meet its social responsibilities to the extent it would like to, and is limited to doing what it can. This, incidentally, is precisely the reason why we have been unable to reach an agreement with the IMF. The IMF is of the view that the Hungarian Government has already made to many concessions in this area. It does make a difference, therefore, whether we choose to consume and live up the capital we generate, or we commit some of it to development. In upgrading our infrastructure, for example, we still have not been able to do as much as the country would need mainly because of a lack of funds. Yet we know that investment today is essential if we are to produce income tomorrow.

[Horvath] What is in this for the IMF?

[Takacsy] The IMF always looks at the long-term interest of the countries to which it extends credit. What matters to the fund is not how people feel today, or whether or not they are satisfied with their situation, but how they can be helped to work their way out of the grave economic conditions brought upon them by the use of "socialist" methods. And this requires serious sacrifices, which each country must make on its own through pain and suffering. Governments tend to have stronger short-term interests, as they are pressured by popular demand for quick improvements in the standard of living. Therein lies the crux of the debate. It must be clearly understood, however, that the IMF does not wish to harm us, and that it is merely warning us to make sacrifices if we are to succeed in the future.

[Horvath] And what would happen if we were to incorporate the aims of the SZDSZ's 15 points into our budget?

[Takacsy] It would virtually guarantee that there would be no agreement between the IMF and Hungary.

*** Middle-Class Civic Organization 'Protests'**
*93CH0495A Budapest KAPU in Hungarian No 2,
Feb 93 pp 60-61*

[Text of the platform of the Society of Protesting Middle-Class Members: "The Middle Class Protests"]

[Text] Initially there was the hunger strike in Bicske, organized by the LAET [Society of Persons Living Below the Subsistence Level]. Then came the LAET drive to collect signatures on a petition for a referendum to

dissolve parliament. The reason was the National Assembly and the government it confirmed are socially insensitive and are causing millions of people to sink below the subsistence level. From the very beginning, many people participated in this drive who were not living below the subsistence level, but were expressing their solidarity with the poor. Already in January the idea was advanced that these people ought to form a sister organization representing the members of the middle class, those earning between 200,000 and 250,000 forints a year. That sister organization would help LAET achieve its goals, but would also raise a series of problems of this "poor middle class." The Constitutional Court rejected LAET's petition for a referendum, whereupon the Society of Protesting Middle-Class Members (or TKT) was formed. On the one hand, it will pursue further the drive to collect signatures, but the text of the list for signatures will be worded differently. On the other hand, it will raise the already mentioned middle-class demands.

The heading of the new list for collecting signatures will be Expression of Public Opinion, and the signatories will be indicating that they have withdrawn their trust from parliament and the government. (The text does not say so, but the TKT will be taking similar action against those opposition-controlled local governments which have introduced measures worsening the people's financial situation and sense of well-being.) The TKT is not interested in politics, but it is interested indeed in the many problems of everyday life. In the punitive tax on home mortgage payments, for instance. If the rate of inflation has declined so much that the banks are paying merely 14-percent net interest on savings deposits, then home mortgage rates in 1993 should not be higher either, and within two years they should fall to the original level specified in the mortgage contracts. The reduction of interest rates on loans and credits to entrepreneurs and businesses should follow the reduction of interest rates on savings, immediately and by the same amount, and not six months or one year later. Let there be an end to the unheard-of situation that the income-tax bite on individual annual incomes in the 100,000 to 200,000 forints bracket is 25 percent, whereas the subsistence level is between 160,000 and 170,000 forints! Why is the subsistence level being taxed? Why is the "lower middle class" in the 200,000 to 250,000 forints income bracket bearing the heaviest tax burden, relatively to its situation? Why are not the owners of property, and the recipients of incomes, worth many millions not assuming an equitable share of the tax burden, to keep the country running?

In 1987, when the average small pension was between 4,000 and 5,000 forints a month, a retired persons by continuing to work—assuming he was able to do so and found employment—could supplement his pension up to 96,000 forints of total annual income tax-free—i.e., by earning nearly as much as his monthly pension. Today the tax-free limit on income is 108,000 forints, and the average monthly small pension will be 9,000 forints (12

x 9,000 = 108,000). Which simply means that the opportunity to supplement pensions with tax-free earnings has disappeared. Why? That benefit has been clawed back from people who financially are the worst off. The TKT is demanding that the retired persons who are still able to work be allowed to earn tax-free up to 100,000 forints a year if their monthly pension is less than 10,000 forints, and up to 50,000 forints a year if their monthly pension is between 10,000 and 15,000 forints. (It offends society's sense of fairness that former political and economic leaders are paying no tax on pensions of 40,000 to 50,000 forints a month, based on their former high salaries, but the retired person receiving a pension of 9,000 forints is taxed even when he finds someplace to do cleaning, for 1,000 forints a month.)

Retired persons supplementing their pensions with earnings should be exempt also from paying social-security contributions on their earnings. They have paid enough contributions during their active years.

Let there be an end to blackmailing the motorists. The tax based on the motor vehicle's weight is absurd and ought to be abolished. Let a single insurer—it could just as well be the state—provide compulsory automobile insurance, but on a nonprofit basis, as the government promised in the debate on the draft legislation in question. The insurer should set his premiums under public supervision, but not one penny of the insurance premiums should flow into the state budget. The tax contained in fuel prices should be reduced by 20 percent, because January and February have proved that the prices of everything, from bread to milk, are going sky-high on the pretext of higher fuel prices. The producers who do not lower their prices after a reduction of fuel prices will deserve public condemnation or even a boycott! For environmental reasons, the TKT protests against the 50-km speed limit imposed by the new Traffic Regulations. At that speed, the vast majority of the motor vehicles in the country are able to operate only in third gear, releasing much more pollutants. At 50 km an hour, the number of serious traffic accidents will be lower by a few dozens, but the thousands of tons of pollutants will make thousands of people sick.

The police should not be occupied with enforcing seat-belt regulations and setting radar speed traps, when in the villages and towns a person cannot walk along certain streets or pass through certain sections even in broad daylight, without the threat of being robbed or assaulted. If there is not enough money in the state budget to support a police force that is maintaining law and order, then there ought to be a civilian self-defense organization whose members are authorized to carry weapons (but not firearms) for their own protection, to arrest criminals apprehended on the streets or in homes, and to escort them to the nearest police station or public prosecutor's office! The paragraph on excessive self-defense should be deleted from the Criminal Code. When one is being attacked in the street with a knife, how is he able to decide whether it would be justifiable to use his Mace spray? Anyone being attacked by an armed assailant

intent on committing murder, rape, serious bodily harm, or robbery, or anyone hastening to the attacked person's defense, ought to be able to use any means of defense legally in his possession! Let the criminal be afraid, rather than the law-abiding citizen.

The perpetrators who assault or discriminate against anyone because of that person's religion, sex, or skin color ought to be punished far more severely than at present. Hungary should admit anyone who is being persecuted in his own country for the above reasons. But if the admitted person, whether a refugee or just a foreigner who happens to be here, commits a crime, he must be deported immediately to his own country, regardless of what fate awaits him there! That should serve as a deterrent, and "being different" must never serve as justification for acts committed against Hungary's law-abiding population.

Religion is a private matter, and nobody should be "labeled" for being an atheist either. Abortion is a private matter between a woman and man, and the state must not interfere in it. We should protect not just the fetus, but also the woman who is planning her family: modern and safe birth-control pills should not cost 300 or 400 forints a box, and health insurance should help by subsidizing some of the cost. Any church ought to be able to prohibit any kind of conduct by its faithful, and that the state should appreciate. But no one must attempt to make such prohibitions binding on the faithful of other churches.

The TKT protests also against the proposed church tax. As a private individual, anyone must be able to support the church of his choice, and should be allowed the maximum possible tax deduction for his support. But believers must not be forced to support their church. And that includes also believers who are unwilling or unable to support a church.

Regarding Expo, let there be one, but on an entrepreneurial basis. Let domestic capital assume the risk and also reap the profit, but the state budget must not spend 110 billion forints (!), at 1996 prices, for that purpose in the next few years. If the state budget is spared only this expenditure, it will have already saved enough for the realization of a number of demands. But the state budget contains also many other items of expenditure that are luxuries. Expenditures for them ought to be deferred until the country's economy is already on the upswing.

There are many other similar planks in the TKT's platform. Anyone interested in obtaining more information should call phone number 1212-484, contact us by telex on number 121-7979, write to our post office box at Budapest Post Office 94, or call in person at our office at 10 Verseny Street, third floor, where an official is on duty every Wednesday afternoon. Our movement is an open one, and we welcome anyone who agrees with most of the planks in our platform.

*** Jewish Community To Be Compensated in 1993**

93CH0494B Budapest PESTI HIRLAP in Hungarian
10 Mar 93 p 3

[Report by Szilvia Zimmer: "Jews Entitled to Compensation for Deposited Jewelry: A Bill To Amend Before Parliament"]

[Text] *The Constitutional Court has received submissions on every single section of the so-called First Compensation Law (Law No. XXV of 1991) but has found only Section 24 to be unconstitutional. The court has postponed annulling that section until 1 September 1993, but said that it might annul the section even retroactively, if the National Assembly failed to remedy the constitutional violation. It is physically impossible to return the jewelry and articles of gold that the Jewish population was forced to deposit in 1944. Therefore it will be necessary to proceed in accordance with the Second Compensation Law. But the bodies representing the interests of Jews must be paid compensation by 31 December 1993.*

Laszlo Solyom, the president of the Constitutional Court, emphasized that the court had not ruled to settle the debate over plans offering various modes of compensation. He also referred to an earlier decision by the court on this issue; in that decision the court did not hold partial compensation to be unconstitutional. Since property-related grievances are being remedied in an unusual situation, as a part of establishing new ownership relations, there is no constitutional reason why former owners should not share proportionally the burdens of restructuring. But Section 24 discriminates in favor of former landowners, in that it makes their compensation complete by offering them subsidies as entrepreneurs. Many former landowners are already in such a privileged situation. To prevent them from enjoying an unlawful advantage in the course of the law's implementation, for the time being the Constitutional Court has left it to the National Assembly to resolve equitably this unconstitutional situation.

After conducting the widest and most thorough investigation in its history, the Constitutional Court concluded that the valuables the Jewish population had been forced to deposit cannot be located; they are not in the possession of the Hungarian National Bank. The Second Compensation Law provides a suitable framework for remedying individual grievances. On the basis of the Peace Treaty, however, compensation for the property of victims who died without heirs has to be paid to the bodies representing the interests of the wronged Jewish communities.

After the Constitutional Court pronounced its decision, Justice Minister Istvan Balsai made the following statement to PESTI HIRLAP's reporter:

"Regarding Section 24 of the First Compensation Law, the government has already introduced in parliament a bill to amend that law and is now waiting for parliament to pass that bill. In any case, it will first be necessary to

hold talks with the representatives of the Jewish community on the question of compensation. After the talks, it will probably be the task of the Ministry of Finance to prepare suitable draft legislation."

*** Jewish Leaders Criticize Chief Rabbi's Interview**

*** Organization's Views**

93CH0492A Budapest MAGYAR HIRLAP in Hungarian
8 Mar 93 p 4

[Interview with Dr. Peter Feldmayer, legal scholar and president of the Federation of Jewish Religious Communities in Hungary, by Eva V. Balint; place and date not given: "Hungarian Jews Do Not Share the Opinions of the Chief Rabbi"]

[Text] *The 26 February issue of HETI MAGYARORSZAG printed Gyorgyi Kallo Omanyi's interview with Gusztav Zoltai, managing director of the Federation of Jewish Religious Communities in Hungary [MAZSIHISZ], and Budapest Chief Rabbi Gyorgy Landeszman. Originally the discussion had been intended to appear in the Catholic weekly IGEN, which decided not to publish it. The incriminating portions of the interview were also published last week in ESTI HIRLAP. We have asked Dr. Peter Feldmayer, legal scholar and president of MAZSIHISZ, to comment on the interview.*

[Feldmayer] The MAZSIHISZ has discussed the interview; however, I did not get the sense that the organization was prepared to censure the chief rabbi. I, on the other hand, as president of the MAZSIHISZ must make it clear that in my opinion the Jews of this country do not agree with the opinions expressed in the article. The substance of the views held by the chief rabbi are both reprehensible and controversial; his language is laden with stylistic errors. The chief rabbi's claim that if Jewish values were extracted from Hungarian culture all that would remain would be peasant trousers and apricot brandy is completely untenable. While it is true that since the middle of the 19th century Jews in this country have made important contributions to the enrichment of our culture, we all know that Hungarian culture did not begin at the middle of the 19th century. From which it follows that even without the participation of the Jews there had been Hungarian culture, not just peasant trousers and apricot brandy. (Since then the chief rabbi has, in fact, claimed that the incriminating sentence had been taken out of a broader context by the reporter, and that he had been quite livid with anger during the conversation.) I also think that it was wrong for him to have taken such a condescending, rejectionist, and oversimplified view of the tragic fate of the 2d Hungarian Army.

[Balint] Apart from the chief rabbi's material errors, what surprised me most was the aggressive style of his answers. Two of his responses he prefaced with the phrase "I hate." Generally one thinks of rabbis as wise, even-tempered, and gentle people. And I think that they

are expected to maintain that poise even when a reporter hurls poor and biased questions at them.

[Feldmayer] Of course, even chief rabbis can be enraged, and they can be made to give wrong and heated answers, but in this case the reporter had taken the proofs of the article to him and he had a chance to change the text or refuse to consent to its publication.

[Balint] I am not familiar with the MAZSIHISZ's internal system of operation. Can you fire a chief rabbi in the wake of such a statement? After all, when the minister's chair becomes unstable under somebody, he is sooner or later dismissed. Are you telling me that the same cannot be done to someone who has stepped this far out of bounds?

[Feldmayer] Chief Rabbi Landeszman had been selected by the bench of rabbis, which means that the decision in this matter rests with his fellow rabbis. And of course it also depends on whether or not the chief rabbi will be willing to draw the necessary conclusions himself. During the party-state era even the janitor was considered more important in MIOK [National Representation of the Hungarian Jews] than a rabbi. We have broken with that practice. I also believe, however, that in handling this matter the bench of rabbis must consider not only its own interest but also those of all Jews in Hungary. It would also be one-sided to judge the chief rabbi's spiritual leadership on the basis of one botched interview.

[Balint] In your opinion can such an interview have a bearing on the relationship between Hungary and Israel, and if so, in what way? After all, relations between the two countries have been evolving very favorably over the past three years.

[Feldmayer] I hope that there will be no negative repercussions. The relations between our two countries are subject not only to rational considerations but often also to emotional ones. I am convinced, however, that the Hungarian leadership recognizes that this unfortunate interview was not conceived with the aim to damage the relationship between the Hungarian Government and Israel.

[Balint] Are you saying that the interview was just a part of Chief Rabbi Landeszman's activities as a private rabbi?

[Feldmayer] That argument would not lead anywhere. Chief Rabbi Landeszman gave this interview as the leading chief rabbi of the Budapest religious community.

[Balint] I can understand how the interviewees could become annoyed with my unprepared and bias-driven colleague. But why did they not refuse to give their consent to the publication of the article?

[Feldmayer] It is easy to be smart in retrospect; all I can say is that this has been an important lesson to all of us, not only to the chief rabbi or Gusztav Zoltai, but also to me and to every Jewish leader. We all need to think over

carefully whom we should grant interviews to, what we are saying or thinking, and what consequences our comments might entail.

* District Mayor's Views

93CH0492B Budapest MAGYAR HIRLAP in Hungarian 8 Mar 93 p 4

[Report by Gy.M.]

[Text] Speaking on the Sunday radio program "Thinking Out Loud," Deputy Mayor Gabor Szekely called for the resignation of the managing director and the chief rabbi.

According to information we have received, the topic of the ominous double interview had also been taken up at Thursday's governing board meeting of the Jewish religious community. On that occasion, one of the interview subjects, Gusztav Zoltai, and the president of the Federation of Jewish Religious Communities in Hungary, Dr. Peter Feldmayer, distanced themselves from certain portions of the interview, and proposed that the board issue an unequivocal statement to that effect. Chief Rabbi Landeszman, however, blamed the reporter for the scandal caused by the article. In the end, the leadership of the religious community decided—by a majority vote—not to issue any declarations of disclaimer out of respect for the chief rabbi.

* Court Action on Jewish Property Settlement

93P20127A Budapest MAGYAR KOZLONY in Hungarian No 29, 12 Mar 93 pp 1583-1589

[Summary] Budapest MAGYAR KOZLONY in Hungarian No 29, 12 Mar 93 pp 1583-1589 presents the full text of Constitutional Court decision No. 16 of 12 March 1993, concerning the return of, or compensation for, valuables owned by Jews—gold, platinum, furs, carpets, and so forth—"sequestered" or confiscated by the state beginning on 16 April 1944, less than a month after German troops occupied Hungary and imposed a regime friendly to Nazi Germany.

According to Part I of the Arguments, petitioners asserted the following:

(1) The valuables sequestered under the Hungarian Government's 16 April 1944 decree—the initial vehicle for the collection of Jewish valuables—the state entered into individual agreements with Jews to the effect that the valuables would be "deposited" with the state, and therefore, the state did not become the owner of these valuables;

(2) To the best of their knowledge, the valuables were still at the Hungarian National Bank;

(3) Pursuant to a 1946 Hungarian law and the Paris Peace Treaty of 1947, the individual Jews, their heirs, or the National Jewish Restitution Fund were entitled to obtain the valuables or to receive compensation for the valuables;

(4) After World War II the Hungarian Government failed to create legal provisions to implement the 1946 law or the provisions of the 1947 Paris Peace Treaty; and

(5) Since the valuables were "deposited" with the state, and not owned by the state, certain provisions of the second Compensation Law (Law No. 24 of 1992) were unconstitutional and in conflict with the 1947 Paris Peace Treaty, and that therefore the Compensation Law should be declared null and void.

In Part II of the Arguments the court analyzed in detail the events related to the Jewish valuables, spanning several decades beginning on 16 April 1944 and ending in 1981, when the last effort had been made to settle this issue. Regarding petitioners' contention (1) above, the court found that the situation was not as clear as presented, because decrees promulgated after the initial 16 April 1944 decree and arbitrary action taken by certain Hungarian officials resulted in the outright confiscation of Jewish property, not based on agreements to deposit valuables with the state, and that the valuables of various Jewish owners were subsequently mixed up and handled in bulk, and could no longer be traced to individual owners, even if they could be found. Further, after World War II, the communist government of Hungary took a number of actions nationalizing or confiscating valuables not only from Jews, but also from non-Jews, and that no distinction could be made between valuables taken from Jews in 1944 and from citizens in general after 1945. With respect to the claim described under (2) above, the court found that the Hungarian National Bank no longer held any of the valuables, and that the valuables were sold by the communist government of Hungary.

The court concluded that petitioners had suffered injury in their property like millions of citizens have during the past decades, and that the Hungarian state had an obligation to provide compensation for the lost property. Since the Hungarian Government had failed to enact legislation implementing the provisions of Article 27 Section (2) of the 1947 Paris Peace Treaty requiring compensation for lost property, the court called upon the National Assembly to take the "necessary action" by 31 December 1993. At the same time, the court rejected the petition to declare the second Compensation Law of 1992 as repugnant to the Paris Peace Treaty, and refused to declare the challenged provisions of the 1992 Compensation Law unconstitutional. The court declared as a matter of principle that providing "partial compensation," as provided for by the Compensation Law, was the appropriate path to pursue.

*** Restoration of Communists in Art World Claimed**

93CH0494C Budapest PESTI HIRLAP in Hungarian
10 Mar 93 p 11

[Open letter by artists, including Tamas Szentjoby:
"How Is It Possible These Days To Nominate Someone

for the Kossuth Prize Undemocratically? Has a Real Change of Political Systems Been Completed in Hungary's Art World?"]

[Text] The above questions and the answers to them, a multitude of topics, are not just narrow professional concerns, but a range of questions that require more openness.

The process of democratization in our country following the change of political systems, and its progress or regression, are of general public interest.

Lately, in support of or against positive steps, we have been experiencing also antidemocratic phenomena. A part of the obsolete, official system of institutions has not changed much. In some instances only the names have changed. The Association of Fine and Commercial Artists has remained an association, and at most only its sections have changed their names to "societies."

The Fine and Commercial Arts Consultancy has survived, but the reasons for its existence were questioned even in the 1980's. Moreover, the same directress who was its head under the previous regime's secret-policeman director general has been able to retain her position, although not entirely without spots and stains.

Perhaps the old Art Fund changed the most, by transforming itself in part into a foundation and in part into an association, under the supervision of a board of trustees. The former's purpose is mainly the administration of assets, and the latter is the association of the artists themselves. So far as personnel changes parallel with these organizational changes are concerned, the former director general died, and an acting director general has been appointed in his place temporarily. The former financial director has been indicted for embezzling several hundred million forints. The only popular former manager, the artistic director, is still in place.

A committee has also been formed and consists mostly of artists (on the list of committee members we find the names of former managers, and even of old cadres among the nonartist members). The state has now transferred ownership of the former fund's assets to the artists.

After all this information, intended to serve as a brief introduction, we wish to express our consternation and indignation over the circular of the Pictorial Graphics Association (formerly the Pictorial Graphics Section) in which the members were informed that, without consulting the membership, the association's leadership had submitted its list of recommended nominees for the 1993 Kossuth Prize.

Already the fact that the Pictorial Graphics Association has proposed for this high honor an art historian, Dr. Magdolna Supka, rather than an artist, is in itself rather "strange."

Why did that recommendation not come from the Art Writers Section?

Obviously because that section did not regard the proposed individual's scientific research and published works as sufficient to warrant recommending her.

Why was it necessary for specifically the Pictorial Graphics Section to recommend her for nomination?

Did the leadership fail to find a single graphic artist worthy of consideration for the 1993 Kossuth Prize?

Behind the above decision there lurk the personnel and opposition-to-change phenomena and tendencies outlined in the introduction, the restoration of the old order's supporters to positions of power, and the fraudulent bestowing of honors on them.

For decades under the former (past) political system, Magdolna Supka had kept tight control over Hungarian pictorial graphics, through her boundless energy and great organizing ability. That was her sole merit, as well as the source of her errors.

As special consultant wielding veto power, and as permanent foreman of every jury, she participated in the constant screening of artists who had earned the party-state's displeasure or were dissidents, and in suppressing them professionally and financially!

In other words, she abused her professional reputation and authority!

In the guise of "the guardian angel of Hungarian graphic art," among artists in copperplate etching she carried out the practical implementation of Gyorgy Aczel's false ideology behind the cultural policy of the day—namely, the notorious three T's (subsidize, tolerate, ban).

The minutes of the juries for the so-called "copperplate etchings weeks" in the Art Gallery in the 1960's and 1970's provide convincing proof of this. At least equally important are the minutes of the graphics juries for the national exhibitions during that period.

Figures are available to prove that, on average over the years (until 1980), the juries rejected 60 percent of the works submitted by members of the Creative Collective of Artists in Copperplate Etching, the only serious competition for the Art Gallery at the time.

Supka always directed from behind the scenes, taking care never to occupy a highly visible position!

In full knowledge of all this, the question is warranted whether such ignominious activity truly deserves the highest honor today, in 1993? Should all this be rewarded with a prize after the change of political systems? After all, not even the former political system had rewarded this!

By its antidemocratic decision, the association's leadership makes us question the sincerity of the "new" leadership's activity since the change of political systems to date, its seemingly positive efforts to organize art

exhibitions free of juries. The leadership also casts doubt on the continuation of that activity.

Has it again become the practice to confront the membership with accomplished facts?

After a brief wait-and-see period of forced silence, is Magdolna Supka again able to resume her activity?

Will the old system of juries be restored?

We must oppose the most categorically and publicly these attempts at restoration.

With this open letter we are protesting on our own behalf, as well as in the name of like-minded fellow artists.

Budapest, 28 February 1993

[Signed:] Tamas Szentjoby, painter; Arnold Gross, painter and graphic artist; Rafael Abraham, graphic artist; Andras Karoly, graphic artist; Zsigmond M. Serenyi, painter; Attila Jolsthy, graphic artist; Gabor Biro, graphic artist

The following artists also have joined the signatories: Domonkos Gaal, graphic artist; Liviusz Gyulai, graphic artist; Jozsef Szalatnyay, painter; and Kalman Kecskeleti, painter

* Communist Influence in Film Industry Charged

93CH0516A Budapest MAGYAR NARANCS in Hungarian 18 Mar 93 p 10

[Article by Krisztina Ferenczi: "From Aczel to Csoori; Social Work"]

[Text] Libraries do not have Ferenc Kohalmi's biography, the chief of Duna TV, the curator of the Hungary Television Foundation, the founder and secretary of the Hungarian Motion Picture Foundation. No "Who's Who" has a record of the chief censor, the soldier of fortune of the late Kadar era, the juggling organizer, one of the most significant background figures in today's political games.

Two different career courses existed during the past 20 years: one built on the Aczel line, the other on the Pozsgay line. The former functioned like a movement through the party apparatus, while the latter was a populist-national course assisted by the people's front. Our hero began his career on the Aczel line, then turned toward Pozsgay, and this is where his connections with Sandor Csoori and with the populists originate. After Pozsgay's removal he paved his way back to Aczel; accordingly, our hero is virtually the only one who learned how to take advantage of both career courses.

After passing a state examination in Hungarian literature and history, he exchanged these two fields for a single field called scientific socialism, thus enabling him from the outset to become a lecturer at the KISZ [Communist Youth Organization] school on Mexico Street. In the

early 1970's he became the top KISZ secretary of Hungarian youth working in the GDR. Upon his return he prepared youth policy programs at the Hungarian Radio for a short period of time; thereafter he moved over to TARSADALMI SZEMLE, where his career slowed down somewhat. His familiarity with Lenin's texts is unmatched; he is able to cite chapter and verse. His friends embraced him.

In 1982 he became a deputy chief film director—prior to that he saw films only in movie theaters—and a year later the adjective “deputy” disappeared from his title. He provided a “dialectic” response to the naive question of why it was necessary to increase the number of Soviet film viewers: because quantity will have an impact on quality. He devised huge plans for transforming film production. The initial goal was to liquidate the “creative reign,” (meaning: “the reign of movie directors”).

The profession was suddenly frightened to death. Within six months Kohalmi was able to return Hungarian film production to hands-on management; the directors were lobbying while he declared that he would talk only to producers. “Kimatekoljuk,” he frequently said. This term could be heard many times each day; it meant that somehow we could climb out of the hot water. The other term he used was “to articulate,” which is a complex word for expressing something, building a description in a nuanced fashion. Allegedly, his talent as a speaker calls for a pulpit. Film production returned to the same place where it was before, with an incredible speed. At the same time Marta Meszaros' first Diary was pulled out of the box. He was also able to issue video licenses. Kohalmi wavered when professional debate entitled “What would be the ideal number of studios in Hungarian film production?” flared up. People were happy to leave his room, because he always agreed with the last one to leave. He could not make a mistake. At the height of the debate he discontinued the Tarsulas Studio. (Gabor Body was still alive at the time.) The profession continued to inwardly express discontent. Kohalmi separated people from each other, and struck separate bargains. But as soon as the boat began to sink, and there was little money available, the people attacked Kohalmi.

The colleagues repented at a meeting of the movie actors' division of the Motion Picture Arts Association: They made a mistake when they tolerated the termination of Tarsulas Studio. During a recess of this ominous event, Kohalmi, under attack, ran out of the room and telephoned his secretary, who arrived at the Feszek Club in five minutes. Kohalmi dictated a text for her to type, signed a blank piece of paper, and half an hour later presented himself once again. He announced that he had assigned Istvan Dardai to head a new film research establishment. Passions within the profession abated. Later on, Dardai fought his way up and established an independent studio called the Motion Picture Innovation Association.

These passions flared in 1985, when preparations were made for the last party congress to be held. Kohalmi was

called upon to remove certain unreliable elements from top positions in studios. Jozsef Marx, the head of Objektiv Studio was also forced to leave, because he openly endorsed the opposition movie created by Makk, Vitezy, Gothar, and Szorenyi, and all this together was too much for the party leadership that prepared itself for the final acceleration. Nemeskurty left as head of the Budapest Studio, but he was asked to organize a film institute according to European standards. Marx became deputy chairman and president of MAFILM [Hungarian Film Producing Enterprise].

A turnaround in Hungarian film production was soon to come: Anyone wanting to do something in the profession had to discuss his plans with Kohalmi. This greased eel was able to function in every position, as a single person, special unit. With his incredible organizing ability he was able to settle inconceivable things within an hour over the phone.

He placed Laszlo Szekeres, who, as a business professional, had served as his deputy at the Chief Film Directorate, in the president' chair at MAFILM. Scandal. The profession objected. The price war began. Szekeres created costs centers out of the film factory, the studio, the makeup artists, and individually, each and every service. Production costs increased, and for this reason they began to hate Szekeres. It turned out that the film factory had been working on a patriarchal basis before, continuously realizing the daily wisdom: “There is no film that cannot be finished.”

During Szekeres' tenure this certainty was broken, and when the filmmakers' dissatisfaction peaked, Kohalmi sadly dismissed Szekeres. Marx stumbled with Szekeres into Nemeskurty's place, just to realize six months later that he had been deceived: No funding was provided for the film institute he developed.

Maintaining good relations with great artists was important to Kohalmi. He had a special sense for keeping leading directors on his side. Surely, they voted for him when electing a king. From Kohalmi's standpoint Zsolt Kezdi-Kovacs and Judit Elek represented the French connection. He received the French Medal of Honor in 1992.

When the system change was about to come, our hero escaped ahead. He invited Pozsgay to take part in a public debate over a film review. This took place at a time when no one could tell whether the state minister was still free or whether he was under arrest. Pozsgay's appearance at the Congress Center was the highlight of the film review. The politician who made the ominous announcement concerning 1956 was cheered and received with great applause, but Kohalmi, too, cashed in on his success. At the same film review Jeles received the first prize in the presence of Kohalmi for his “Dream Brigade,” a work that Kohalmi had banned for six years.

Thereafter Kohalmi reappeared as a reform communist. Once again, he escaped ahead. He proposed to abolish

the Chief Film Directorate, because time had transcended that institution. Simultaneously he encouraged the film profession to establish a common film fund to preserve state support funds in the framework of a foundation, and nominated himself to head the foundation. In the wake of his absurd and overtly impertinent idea he avoided a scandal that was about to break out in the open, only by assigning the planning of the foundation to Andras Lanyi. Kohalmi disappeared for a short while, in his case, however, disappearance was not synonymous with inaction. He became a delegate and a speaker at the last Congress of the MSZMP [Hungarian Socialist Workers Party], and a lead figure in the Kosa team. The man who eternally filed complaints about works of art, then defended the art he complained about, the man who brought Hungarian film production to its lowest point, the responsible, top level chief censor did not receive a pension for his merits—he was too young for that—but instead, before the elections, he became the coordinator of the radio and television supervisory board established for the purpose of rendering the supervision of the two institutions more democratic prior to the elections. The profession once again kept quiet about Kohalmi's new victory. Only the audience punished him: They jeered off the stage the self-appointed film foundation president before he could deliver his closing remarks at the 22d Hungarian Feature Film Review. In 1989 he was one of those who expected to see an MSZP-MDF [Hungarian Socialist Party-Hungarian Democratic Forum] coalition, and retreated when that did not come about.

And just what is the second key to his present career? While acting as a coordinator Kohalmi had access to Antall, and he is now acting as a midwife whenever the MDF appears on television.

He became the secretary of the Motion Picture Foundation board.

Still in 1989, he placed the plan for a satellite channel on Minister of Culture Ferenc Glatz's desk, but implemented the plan as "Duna TV" in Antall's days (see also: *MAGYAR NARANCS*, 7 January), and authorized the payment of 2 billion forints to the Hungaria Television Foundation. The constitutionality of this action has yet to be clarified by the Constitutional Court. The foundation is registered at Sandor Csoori's home address. This much is said about the foundation's business management: Sandor Csoori and Gyula Kodolanyi are authorized to sign for the foundation.

In the hastily assembled consortium called Filmunio, established for the purpose of buying below market value the MAFILM production facility, which became the

subject of bankruptcy proceedings, we find the Hungarian Motion Picture Foundation and the Hungaria Television Foundation. Kohalmi is a leading figure in both of these foundations. (The single-person limited-liability corporation called Filmunio Kft. is not the same organization; its head is Zsolt Kezdi-Kovacs.) Duna TV has already moved to the production base, thus rescuing Hungarian film production and disrupting with cables the sole music studio in the country suitable for sophisticated musical recordings. Szekeres Laszlo, the old partner, became chairman and president.

Dr. Jozsef Zelnik became the president of Duna TV. (He holds the following positions: president of the Public Education Information Corporation, chairman of the Hungarian Cultural Chamber, curator of the Hungarian Book Foundation, curator of the National Cultural Fund, curator of the body that appoints the directors of the National Public Collections, participant in the Social Professional Council of the World Exposition, participant in the personal advisory committee of the Ministry of Culture, member of the World Federation of Hungarians and of the Gambling Fund board of directors.)

They got out of the hot water well. Leaving Pozsgay behind, the team coming from his foyer—Jozsef Zelnik, Ivan Timko, Gyorgy Szilvassy, the deputy state secretary at the Office of the Prime Minister—moves ahead to take over the exercise of power in a given moment.

I was present when the chairman of the World Federation of Hungarians and of the Hungaria TV Foundation embraced Pozsgay as a friend on his right side at a public club meeting. One cannot tell whether Csoori realizes that the ship has passed: Pozsgay is not going to become the president of the third republic.

Duna TV was established in order to create programs according to the taste of its sponsor. And, if possible, to take the film making profession into the MDF's alley. But if it turns out that the entire Hungarian Television can be taken over, the government is going to need Duna TV much less. Kohalmi does not yet have a position in Duna TV whose function is to get out of the hot water at present, he performs social work, turning nights into days. He appointed only liberal members of the intelligentsia to the jury supposed to review and judge the new Hungarian film. These are: Ildiko Enyedi, Gyorgy Baron, Anna Jokai, Janos Kende, Sandor Kopatsy, Agnes Losonczy, and Akos Szilagyi.

At present, and even in the foreseeable future, hardly any Hungarian film can be produced without him. Nevertheless, one cannot avoid to raise this question regarding our hero: Whether at present Ferenc Kohalmi acts as an illegal party worker, and if so, on behalf of which party? The probable answer is that he works for whichever party happens to win at any given point in time.

*** Commentary on Speed of Industrial Reconstruction**

93EP0207A Warsaw GAZETA PRZEMYSLOWA I HANDLOWA in Polish 2-8 Mar 93 p 8

[Article by Olgierd Cybulski: "From Research of the Institute of the Economy of Materials: How To Accelerate Industrial Reconstruction"]

[Text] The stormy reconstructing processes that are taking place in all areas of our economic life force us to make a penetrating analysis and to find the most rational solutions and forms for their course.

It is for this reason also that the Institute of the Economy of Materials, applying its operations to real economic problems as they develop, is, among other things, conducting research on reconstruction processes in the structure of industry.

This research includes problems pertaining to the effectiveness of repair operations, the management of liquidated enterprise property, and the effect of structural and organizational transformations on accelerating privatization processes.

In 1991-92, studies were done in approximately 30 selected industrial enterprises subject to various stages and types of processes of reconstruction, where, for example:

- The process of liquidation is very advanced and is in its terminal phase.
- The process of liquidation is actually being converted to a process of restructuring.
- The enterprise is subjected to a reorganization process before going into actual reconstruction.
- The enterprise is making internal organizational changes related to property conversions.
- The enterprise is under a managerial contract.
- Enterprises intend to solve basic problems of reconstruction as a group.

In presenting the results of these studies, we must, at the outset, state that structural reconstructions realized in industrial enterprises that lead in effect to accelerating privatization processes must be discussed, keeping in mind the totality of the phenomena involved.

Specifically, we must emphasize the barriers that confront an enterprise on its way to property conversion.

Barriers

As is known, privatization creates a potential for avoiding or at least ameliorating the hard monetary-budget and requirement limitations and facilitates the adaptation to a gradual process of creating a market economy. Privatized enterprises have greater opportunities for improving efficiency of manufacturing processes,

meeting the demands of a competitive market, attaining greater income from work and capital involved, and financing the development of innovative processes.

An important element of property conversions is selecting the privatization route. Intermediate privatization, frequently termed "capital privatization," is intended for large and medium enterprises in good economic-financial condition that have a hope of remaining in the market. It depends on converting a state enterprise to an individual partnership of the State Treasury, then privatizing that through the sale of stock or shares.

If the enterprise is medium or relatively small, it is doomed to reconstruction along the direct route frequently termed the liquidation route. The management and the workers are most interested in this privatization route because they can determine their own fate and, at the same time, become co-owners of the company in which they work. There are more barriers along this route, however, than along the capital route.

In the whole process of property conversion, the most frequent barriers are bureaucratic, psychological, or capital, or a barrier connected with the issuing of stock.

The psychological barrier appears at the beginning of the process. It is expressed in an unwillingness of the personnel to accept new organizational-ownership solutions, mainly the buying out of the enterprise, which in the perception of the personnel was their property.

Workers link privatization mostly to reform of the company structure and to an improvement in work organization that should make higher earnings possible. In the initial phase, they do not identify it with a limitation of input to the enterprise management, with the need to fire some workers or the possibility of a decrease in pay. This perception of privatization is clearly apparent as early as when the privatization route is selected.

The next barrier is preparing the documents that are the basis for reconstructing the enterprise; pricing the enterprise is the principal matter here.

Pricing

As far as pricing an enterprise is concerned, it sometimes depends on a threefold verification. Responsible for the first is the initiator's organ of the enterprise; it sets up an independent expert judge or a consulting firm to verify the price.

The second verification is made by the voivodship governor acting in the name of the State Treasury with respect to that part of the enterprise property that was financed from outside funds.

The third verification takes place in the process of negotiating the enterprise price with the initiating organ, then with the Ministry of Privatization. The whole

process of pricing and verification is extremely work-intensive and costly and excessively prolongs the whole process of enterprise reconstruction.

Another barrier equally difficult to surmount is the disordered property relations that make imperative a rapid legal resolution of their form and term, updating the realty register pertaining to components of state and communal property and concluding the legislative process in matters of real estate turnover.

Surmounting this barrier is especially difficult because most of the enterprises have not yet requested actual regulation of property rights. Moreover, the whole procedure requires the establishment of new hypothecary books and high fees connected with this.

This is a process protracted in time, considering the number of cases finding their way to notarial courts that require the searching of archival materials and documents.

Finally, a lack of capital is a great impediment. To form a workers partnership, legal requirements must be met, and the partnership must accumulate an initiators' fund equal to 20 percent of the initiators' fund and the enterprise fund. Repeated reduction of prices of the enterprise capital assets caused a significant increase in these funds. Low worker income, compared to the high initiator funds required of the partnership, are an impediment that cannot be overcome on the way to creating a workers partnership (closed or open).

Bureaucracy

The next barrier that appears on the road to privatization is the inordinately ramified and protracted course of investigating cases pertaining to the privatization of enterprises by the voivodship and central institutions. This pertains especially to the initiating organs and their reactions to suggestions on enterprise reconstruction and other documents produced for effecting property changes. The slowness of the institutions involved and the lack of specific legal solutions or their frequent changes are serious impediments in the privatization process.

A time-consuming activity is the working out and coordination of the statute or the agreement of the partners. This requires many consultations and much coordination as well as efficient service by banks, which are not adequately prepared for this kind of activity (accumulation of funds, issuing certificates, stock, and so forth).

The last hypothecary barrier to the formation of trade partnerships, especially those based on leasing property of a state enterprise, is the great difficulty in working out a credible plan for the future income of the partnership. The lack of market stability and increasing economic difficulties of the country may have a real effect on decreasing future income of the partnership. In this case, enterprises would have serious difficulties in realizing

the agreement contained in the lease. Negotiating credit under these conditions would be practically impossible.

Breaking these barriers would facilitate the process of enterprise privatization and decrease the apprehension of workers faced with privatization to a significant degree. This would also promote the relinquishment of efforts, groundless in many cases, to maintain the status quo in enterprises.

Once again we must emphasize that the most important goal of privatization should be increased efficiency. Privatization accomplished hurriedly only for the purpose of changing ownership may very shortly lead to a new problem—the bankruptcy of private companies.

Bureaucratic impediments and the frequently protracted process of enterprise privatization are a serious threat faced by many enterprises that will not be capable of undertaking such a process later and for which this may be the only chance of remaining in the increasingly competitive market.

Inefficient Production

Moving on to presenting some results of studies done by the Institute, we must emphasize that a common trait of all of the enterprises analyzed, regardless of the branch they represent, was the organizational-economic situation; specifically, they were all undergoing various reconstruction processes, and some of them were placed in a state of liquidation. Despite these differences in their formal status (in liquidation or not), there are great similarities in the processes they are undergoing. These processes are the variously understood organizational and production reconstruction of the enterprises, tending toward property conversions that would facilitate improving economic efficiency.

In spite of the seeming variety of phenomena occurring and of the solutions imposed, the principal phenomenon in almost all of the enterprises studied was the need to eliminate inefficient production, activity, or useless property, and to create an organism that would have a chance of surviving the crisis.

As a rule, during the initial stages of the work, various organizational changes are made that provide economic relief with respect to the products made (reduce the cost).

An evaluation of the studies indicates that the most rational solution would be the following scenario of action:

—After an honest evaluation of the economic situation of an enterprise and its developmental prospects (best done by a specialized consulting company), organizational changes would be planned that would facilitate isolating that part of the enterprise that, relieved of needless costs, could maintain efficiency and economic competitiveness.

—Isolating that part is connected in general with a formal division of the enterprise into at least two parts, of which one (usually retaining the old name) would become the effective unit and the other would take over the superfluous building, machinery, and equipment (converted to a production-mercantile enterprise). This second part might be subject to further organizational restructuring, and, if it does not do well, be completely liquidated.

—The next stage is undertaking activities aimed at property conversions. Here, as an introductory phase, a managerial contract may be used; from current information, it seems that this has proved its worth, given that, in the next phase, it should yield to further transformations, changing the form of ownership (for example, workers' leasing, buyout of the enterprise, partnership with o.o. [expansion unknown], or other).

One of the basic problems in dividing enterprises is the division of property and the rational division of financial encumbrances (indebtedness) into several individual units. This, of course, takes place under the leadership of representatives of the initiating organ and is a relatively difficult problem.

Despite this, under the actual organizational conditions of Polish state industry, the division of enterprises discussed above is in most cases the most rational move before implementing property solutions of reconstruction and property conversion. This might even require organizing specialized companies to deal professionally with these problems at the request of the initiating organ.

Experience

The processes of liquidation and reconstruction aimed in effect at property conversions of industry are encompassing ever wider spheres in the whole country. In the course of this work, an ever greater variety of experiences, of organizational achievements or failed solutions, arises.

At this point, the proposal is made that conditions be created for an exchange of experiences, useful organizational solutions, the rationalization of the course of liquidation processes, and so forth. It is certain that definite practical experience has been accumulated in this sphere, and there are possibilities for sharing this experience with other interested people.

Therefore, it would be desirable to organize periodic informational-training meetings of representatives of interested enterprises and institutions concerned with the professional problematics of organizational changes occurring in industry; during such meetings, a presentation could be made in a seminar setting of various actual problems in areas such as:

—Rational methods of conducting the process of enterprise liquidation tested in practice under Polish conditions.

—The term and methods of actual organizational reconstruction of an enterprise.

—Various forms of facilitating the improvement of management and getting positive economic results by the enterprise (for example, managerial contract, forming workers partnerships, leasing, taking over mercantile functions for enterprise products, and so forth).

—Experience attained in matters of disposing of surplus property of an enterprise (buildings, other structures, machines, equipment, social and communal centers, and so forth).

—Legal consultation in matters urgent for the improvement of the liquidation and reconstruction processes.

—Other actual problems that develop.

This list is by way of example. What is concerned is the creation of conditions facilitating an exchange of views by representatives of interested state enterprises on real problems during the period of organizational reconstructions of industry and, in this way, giving methodological assistance in solving growing problems.

A basic problem that confronts reconstructed or liquidated enterprises subsequently is the great difficulties connected with managing surplus property. In many cases, rapid exploitation or the sale of components of capital property that does not meet real needs would make it easier for an enterprise freed from extraneous obligations to be reconstructed into an efficiently operating economic unit.

Increasingly great amounts of materials, buildings, machines, equipment, and so forth resulting from the liquidation or reconstruction processes, and the lack of potential buyers constitute a basic dilemma for these processes. The liquidators are not in a condition to deal with these matters within the period anticipated for the liquidation of an enterprise; evidence of this is the fact that, thus far, none of the larger industrial enterprises has been liquidated. Liquidation periods are extended many times, and there is no guarantee subsequently that an enterprise will be liquidated completely within these periods. At present, this is a chronic condition in our economy. These phenomena cause very serious economic losses due to the nonproductive prolongation of liquidation and reconstruction processes, particularly the costs of maintaining personnel, no possibility of rapid reconstruction of enterprises into efficiently operating units, and so forth.

Information Bank

As a result of these studies, among other things, a concept has been proposed of forming a special institution (for example, an agency) that would have a central bank of information about various enterprise property components advertised for sale or other exploitation, such as:

- Buildings, structures, and other production, administrative-office, warehouse, sales, and so forth facilities.
- Houses, schools, health centers, rest centers, workers hotels, and other real estate of this type that constitute the so-called social resources of enterprises; machines and production equipment; and transport equipment.

The agency would have a central data base entered in a computer that would contain adequate information pertaining to the surplus components of enterprise property offered for sale, obtained directly from interested enterprises or from such banks already in existence in individual voivodships.

The agency would advertise its services through the mass media (radio, television) and by continuous advertisements in the press, informing those interested that information is available on the various pieces of property of state enterprises offered for sale or other exploitation.

At present, getting such information is essentially limited to sporadic and rarely placed press advertisements.

It is obvious that a proposal of this kind is not a panacea for solving all of the difficulties pertaining to the exploitation of surplus state enterprise property, but it stands to reason that having access to such an information agency would be a definite organizational solution that would have a certain effect on accelerating the reconstruction and liquidation processes. The suggestion that such an information agency be created was presented to the Ministry of Industry and Trade.

Accelerating the privatization processes and improving industrial efficiency requires, first of all, a significant acceleration of structural and organizational changes in enterprises.

As was mentioned above, various forms have already been introduced, in practice, that facilitate the reconstruction of industry in material structures, but the tempo of these changes is somewhat slow.

Among other things, the protraction of these processes is caused by the very long duration of liquidators' activities, the permanent extension of periods for terminating enterprise liquidation, the somewhat slow decisions of the department of industry, the lack of will for reconstruction among the workers, the difficulties of disposing of surplus enterprise property, and the lack of specified methods or principles of rational management of the process of enterprise reconstruction, tested under Polish conditions. It seems that these deficiencies were caused primarily in the initial phases of these reconstruction processes and by the inability to get reliable practical experience.

Proposals

Nevertheless, on the basis of the phenomena observed, we can make the following proposals:

- The first move should be the fastest possible organizational and formal division of an enterprise intended for liquidation or reconstruction into smaller units (enterprises), among which there will some whose conditions make their further development possible.
- The property of the enterprise should be divided in a specialized and efficient manner. The work mentioned above should be done as quickly as possible.
- The more important enterprise property that is difficult to dispose of should be concentrated in separate organizational units (not necessarily in one for the whole country), which would deal with its exploitation or sale,
- Indispensable is a countrywide solution pertaining to the obligation of the cost-free taking over of social or residential facilities by self-governing bodies (communities). This requires adequate universal legal regulation. For example, communities could, in turn, lease to physical or legal entities (agencies) the management of such sites. (Burdening industrial enterprises that have to demonstrate efficiency with social and residential facilities is one of the most serious problems unresolved thus far.)
- The processes of enfranchising state enterprises should be maximally accelerated. Central authorities should exert pressure for significant improvement in the activities of organs of local administration in these matters.

It is true that some matters touched on here are already realized—for example, the organizational division of enterprises (which meets with their approval). But, subsequently, a certain inertia in reconstruction activities is evident. Entrusting enterprise liquidation to a physical or legal entity (consulting firm) coming from outside the unit being liquidated has been positively evaluated. This move, in general, has a real effect on the rational course of the liquidation and reconstruction processes in an enterprise.

All of these suggestions and proposals pertain only to the initial phases of the state enterprise reconstruction processes. In practice, as was mentioned in the beginning, almost no state enterprise has been completely liquidated—and certainly none of the large enterprises.

Also, there is already a variety of forms facilitating property conversion (for example, the initial division of an enterprise, the managerial contract, the reorganization into a partnership, the management by a board, and others). Nevertheless, none of the results of these can yet be comprehensively described and generalized. We may assume that this process will continue and will develop widely and will become a key matter for our whole economy. For this reason, the course of these processes in their various forms should be constantly watched and analyzed so that evaluations and proposals pertaining to their efficiency and economic effects could be made as quickly as possible.

Politicians View 'Ethnic Cleansing' Charge

93BA0726B Bucharest *TINERETUL LIBER* in
Romanian 3 Mar 93 pp 1,2

[Article by Aristotel Bunesu: "'Ethnic Cleansing' as Viewed by our Politicians"]

[Text] I asked several political figures to express their opinions about the recent statements made by Laszlo Tokes concerning the existence of so-called 'ethnic cleansing' in Romania. Some of the responses follow.

Doctor Victor Surdu, President of the Romanian Democratic Agrarian Party

"There he goes again. Mr. Tokes, honorary president of UDMR [Democratic Union of Hungarians in Romania], has made statements in Washington and Budapest offensive to Romania and the Romanian people, aggressively perverting the truth about our country. After all, what else but a malicious, provocative, slanderous attitude is to be seen in his statement that the events of March 1990 in Tirgu Mures represented a pogrom against Hungarians in Romania? Mr. Tokes is obviously not merely a victim of his own fevered imagination but is acting with irredentist deliberation against the Romanian people, against the peace and stability of our country, and is doing great harm to the image of Romania around the world by cynically spreading untruths. What seems even more serious to me is the way in which the UDMR representative set out to tone down such offensive statements when he said that "use of the ethnic cleansing concept was unfortunate because it was not entirely in accordance with the actual situation." Well now, it is obvious that such a statement is not at all in keeping with the actual situation. It has the effect of muddying the waters, encouraging irredentist trends, speeding up proclamation of ethnic self-determination, and of violating the sacred provisions of the Romanian Constitution. Insofar as we are concerned, the PDAR [Romanian Democratic Agrarian Party] disapproves of any kind of irredentist temptations and repudiates the verbal (actually more than just verbal) adventurism of the honorary president of the UDMR. We believe that the statements alluded to do not do him any honor and do not benefit anyone, least of all the ethnic Hungarian citizens of Romania."

Ioan Solcanu, Vice President of the Democratic National Salvation Front

"It is the perception of our political organization that, although they are divided into moderates and radicals, the UDMR leaders are pursuing the essential goal of autonomy and self-determination. They are moderates or radicals only from the viewpoint of the means they want to use in order to reach this goal. We want peaceful coexistence with all ethnic groups, but we want their loyalty, and in effect all rights proceed from this loyalty."

Sergiu Macarie, Member of the National Peasant Christian Democratic Party Coordinating and Steering Committee

"What we are confronted with is an exaggeration, a gesture of bad faith. It provides grist for the mills of radicals in Hungary and Romania. No one can honestly say that an ethnic cleansing process is taking place in Romania. I believe that Mr. Tokes is discrediting himself by making this statement."

Professor Ion Minzatu, President of the Republican Party

"Pastor Tokes has been fishing in muddy waters since the first days after the revolution, but especially when Romania's domestic and foreign situation is tense. You ask yourself what the cause is and what the effect. Pastor Tokes has been trying to profit from these situations. As soon as situations like these have come up, the pastor has created diversions. Romania and the Romanian people do not fear such diversions and reject them with a laugh and the scorn they deserve."

Gabriel Andreescu, President of the Civic Alliance

"Mr. Laszlo Tokes is in error, not because anti-Hungarian chauvinism does not exist, not because there are no provocations against the ethnic minority to which he belongs, but because these things cannot be defined as ethnic cleansing. It is unfortunate that he has not tried to arrive at the same time at a more detailed, precise, and comprehensive definition of the problems that have risen between the minorities and the majority and are common to the political forces that are solicitous for democracy. If he arrived at such a definition, the erroneous views of some public figure would not provoke such negative a reaction as has they have in this case."

The parliamentary group of the Civic Alliance has in turn expressed its disagreement with the wholly unfounded statements made by Mr. Laszlo Tokes.

The Civic Alliance Party believes Pastor Tokes' recent statement to be untruthful and slanted.

The PAC [Civic Alliance Party] parliamentary group thinks that this statement harms the interests of the country. Phrases such as 'forced assimilation,' 'ethnic cleansing,' and 'anti-Hungarian pogrom' have the effect of creating interethnic tensions where they did not previously exist.

Inasmuch as the Civic Alliance Party has always displayed understanding for the situation of minorities and has energetically advocated enjoyment by minorities of all the rights guaranteed by international standards, the Alliance urges the UDMR to clarify its position on the untruthful statements made by Bishop Laszlo Tokes.

*** Local RMDSZ Supports Statement by Tokes**

93BA0784D Bucharest ROMANIAI MAGYAR SZO in Hungarian 12 Mar 93 pp 1, 8

[Report on a statement issued by the Haromszek [area in Brasov, Covasna, and Bacau judets] branch of the Democratic Alliance of Hungarians in Romania; date not given: "The Haromszek RMDSZ Protests"]

[Text] In its statement the Haromszek branch of the RMDSZ [Democratic Alliance of Hungarians in Romania] protests against the political campaign that is being directed against Laszlo Tokes. It is obvious, the organization claims, that when Laszlo Tokes spoke of a type of ethnic cleansing, he was referring not to massacres of the kind taking place in Bosnia, but to the statistically provable large-scale demographic changes that have taken place in Romania during the past 70 years; changes that have accelerated noticeably in recent years as a result of the intensifying activity of extreme nationalist forces that perceptibly are being directed from behind the scenes (the events in Marosvasarhely [Tirgu Mures], the Hargita-Kovaszna [Covasna] report, and the activities of the mayor of Kolozsvar [Cluj]). In its statement the RMDSZ branch finds it incomprehensible and unjust that opposition parties claiming to be democratic have joined the Romanian nationalists' libel campaign. The organization has also expressed surprise that some of its representatives have failed to use a proper tone in refuting the allegations made by the campaign's participants.

Changes in Intelligence Organizations Noted

93P20126A Bucharest ZIG ZAG in Romanian 18-24 Feb 93 pp 1, 4

[Article by Dorina Baesu: "Intelligence Chiefs Have Begun To Fall"]

[Text] Mr. Iliescu is not only the president of our country, but also president of the Supreme Defense Council [CSA]. As CSA president, he has the director of the SRI [Romanian Intelligence Service], the defense minister, and the interior minister as his subordinates.

If both Gelu Voican, at the beginning, and Virgil Magureanu [current SRI director], later on, were not allowed to control all intelligence organizations, it was because he did not trust them. But then, people who know him claim that President Iliescu never trusts just one person. In short, he does not trust even his own mother.

It turned out on several occasions that one group of people had information that another group did not, and this caused animosity between their chiefs. For example, UM [Military Unit] 0215 found out around Christmas about two years ago that King Michael was planning to visit Romania; however, Virgil Magureanu claimed that there was no indication that the king intended to pay the

country a visit. The president has an additional advantage: He knows what all the chiefs of these intelligence organizations are doing because, by coincidence or not, they are spying on each other.

At one time an individual who could not be controlled stood at the helm of the Ministry of Interior, and this drove Iliescu crazy. In addition, informants say, this particular individual, the chief of UM 0215, Colonel Stoian Rusu, was not cut out for intelligence work; nor did he possess the initiative to bring any intelligence he may have obtained directly to the president.

Brought to the Ministry's leadership, General George Ioan Danescu began to make some personnel changes. The first to go was Lieutenant General Suceava. One of the last was Colonel Stoian Rusu. General Danescu declared his dissatisfaction with Rusu's work as chief of UM 0215, a position Rusu held from the spring of 1991 until last week.

According to people who worked in it, UM 0215 is comprised of two intelligence divisions. The first, the Counterespionage Division, responsible for the counter-intelligence protection of the Ministry of Interior staffs, is led by Colonel Gheorghe Stan. Stan was formerly deputy to General Emil Macri in the Directorate of Economic Counterintelligence within the former *Securitate*. The second is the Division of Intelligence, led by Colonel Condoiu. It gathers intelligence useful to the Interior Ministry.

The Interior Ministry is comprised of three offices:

1. The Office for Antihooligan Measures, headed by Colonel Dumitru Ionea (former husband of DNSF [Democratic National Salvation Front] deputy Florica Dumitrescu);
2. The Office for Crime and Parasitism, headed by Colonel Dumitru Constantin, nicknamed "Aznavour";
3. The Office for Economic Intelligence, led by Colonel Ion Mindrila. As far as we know, the SRI is responsible for almost the very same functions but with the requisite subtle differences, of course.

Everyone Conducts Physical Surveillance at the Ministry of Interior

Both Doru Viorel Ursu and Victor Babiuc claim that when they were heading up the Ministry of Interior, UM 0215 did not conduct physical surveillance operations or any other similar activities, as it had during the time of Chitac. Of the 100 people who worked in physical surveillance, some went to the SRI, others formed their own detective agencies, or became bodyguards for various politicians. Some remained, but are engaging in run-of-the-mill activities. At least that's what they say.

It is said that during Doru Viorel Ursu's tenure, when the current minister George Ioan Danescu was chief of the IGP [General Police Inspectorate], some odd things were happening. IGP has a branch called the Office of

Physical Surveillance and Investigation of Felons. The members of this department were shadowing Minister Ursu, General Carp, and probably also General Suceava. When the UM 0215 staff realized this—and especially when it became apparent to Ursu that he was being followed—they began, one by one, to shadow the IGP staff to see what they were up to.

That's probably still going on. It's not hard to imagine what a disorderly situation one will find at the Ministry of the Interior, especially since General Danescu seems determined to replace the chiefs he finds unsuitable.

The new chief of UM 0215 is Colonel Dan Gheorghe. Until 1992 he was Chief of the SRI's Anti-Terrorist Brigade. For a short time, he served as Chief of the SRI's Counterespionage Division. In the summer of 1992, he supposedly was to be sent to Bessarabia to set up an intelligence service modeled on the SRI. We don't know how, but the news of this plan reached Moscow. The Russians warned the Romanians in no uncertain terms not to go ahead with these plans. Colonel Dan Gheorghe supposedly came back. Meanwhile, he was named Chief of the SRI's Counterespionage Division. Then Colonel Dan Gheorghe was moved to the SIE [Foreign Intelligence Service], where he got to know George Ioan Danescu. After he was kicked out of his job as IGP chief, Danescu was state secretary at the Ministry of Foreign Affairs and was chief of one of the Foreign Intelligence Service directorates.

It appears that Virgil Magureanu recommended to the Ministry of the Interior that Dan Gheorghe be nominated to head up UM 0215. Dan Gheorghe was, and no one will stop him from continuing to be, one of Magureanu's closest collaborators.

Political Stance of CDR Chairman Examined

93BA0656A Bucharest DIMINEATA in Romanian 10
Feb 93 pp 1, 3

[Article by Marin Badea: "The Apolitical Mr. Emil Constantinescu Has Turned Politician"]

[Text] The former "conventional" candidate for president put forth quite an effort but failed to mislead the electorate by presenting himself as the proponent of an apolitical movement and the leader of an association with the same claimed hallmark: universal solidarity. Furthermore, he said he was one with the Civic Alliance, also an apolitical organization that since its inception has pursued one goal for our country's future, that of structuring a civil society. Quite by accident, practically a victim of the jockeying of interests within the megaparty called the Democratic Convention of Romania [CDR], Mr. Emil Constantinescu found himself a candidate for the country's presidency, based on the argument unveiled in considerable detail by Mr. Ion Ratiu, that he was a communist, even a party activist. In other words, he was a politician with roots in the former communist party's nomenclatura. Why? Simple, if you follow the iron logic of Mr. Corneliu Coposu: To have any chance

at all of defeating Mr. Ion Iliescu, a former party activist well-known in the country and a true dissident, one must run another former communist, also a party activist, but less well-known so that he can be accepted outside of the country by certain interested forces and inside the country the entire range of anti-communists and revolutionaries can be duped with the image of an immaculate Democratic Convention especially as the candidate swore on a bible that he was apolitical, in other words that he would do nothing as the future president of the country but defend the interests of his precious land.

Needless to say, the electorate could no more be fooled this time than in 1990. But Emil Constantinescu persists. This experienced old communist is still trying to even farther alter the political perception of those who voted for him and especially those who did not vote for him. He is now a "great analyst" of the economic and social situation in the country, categorically affirming that "the government party does nothing to prove that it merits the votes it solicited in the September elections, that the economy deteriorates with every passing day and prices climb," a brilliant observation we must say, and that the FDSN [Democratic National Salvation Front] is concerned about nothing else other than dispensing patronage in the state administration, which in another one of his brilliant observations, he says confirms his belief that the basis of the FDSN program can be reduced to grabbing power for its own interests. Had the Democratic Convention won the elections, power would have been grabbed for the benefit of...the country!

Trenchant as he is in his political judgements, especially as he has shed his apolitical garb along the way, the Democratic Convention chairman has other harsh words for the FDSN as the party that assumed political responsibility of governing based on a mandate given it by a significant part of the electorate: Look how its program is just a collection of empty words as opposed to that of the CDR, which is filled with meaningful words; look how the FDSN "shows its indifference to the country's condition, its lack of responsibility, its careless attitude toward people and toward the critical state of the nation" which disqualifies it both politically and morally. While in contrast, the Democratic Convention, because it was defeated in the elections, because it already had a multitude of legislative initiatives, because through great effort, it had brought the country the most favored nation clause from the banks of the Potomac, because it had opened European Community doors for Mr. Nicolae Vacaroiu and because of many other exceptional accomplishments, it is qualified politically and morally. He pretends that the megaparty called the CDR does not represent a politically active clientele that is grouped around personal interests, because they could not gain access to power democratically, they could not implement the carefully prepared policy that reflected this obvious motive. Despite all this, this group sees itself victimized, discredited for no real reason, even in danger of disintegrating thanks to the FDSN (!!) that supposedly is simply doing the bidding of foreign agents and "of those forces hostile to Romania."

Listen, but don't believe! Now if the apolitical Mr. Emil Constantinescu has suddenly found his vocation as a politician, we will accept him for what he is. How you think is how you speak and to the extent that you think like a politician, you act like one. And nothing more.

*** Tokes Protests Planned Eviction of Chancery**

93BA0784A Bucharest ROMANIAI MAGYAR SZO in Hungarian 12 Mar 93 p 1

[Statement issued in the name of the Pasaul Craiului [Oradea] Reformed Church District, by Bishop Laszlo Tokes on 10 March 1993]

[Text] The name of the street is an omen. The chancery building of our Nagyvarad [Oradea] Episcopate on Marsal Antonescu Street is in extreme peril. The dictatorial tyranny that deprives us of our rights has started eviction proceedings against our church.

The chancery building had been built in the 1930's, with the blood and sweat of our faithful. In its day, the communist dictatorship converted the building into the party's county headquarters. And now, three years after the revolution was sidetracked, the Iliescu regime is making yet another attempt (for it is already the second one) to defraud us of our lawful property; it is forcing the bishop's chancery and governing board of the Kiralyhago [Pasul Craiului] Reformed Church District into the humiliating situation of moving into sublet premises.

Hiding behind arbitrary application of the law and misinterpretation of its provisions, the powers that be are fashioning—also in this manner—a communist reversion. The proceedings that have the Bihar County [Bihar Judet] prefect's support and invoke a "presidential ordinance" are threatening with eviction not only our church district, but also a number of other organizations and institutions operating temporarily in the chancery building, namely: the Bihar Reformed Episcopate's Deanery, the editorial offices of HARANGSZO and KOZLONY, the Istvan Sulyok Reformed College, the county organizations of the Democratic Alliance of Hungarians in Romania and the Democratic Alliance of Hungarian Youths, the Democratic Alliance of Germans in Romania, and the Tulipan Kft.

Despite the appearance of legality, our church is well aware of the eviction proceedings' political background. In the spirit of the 1989 Romanian revolution and democracy, of a rule-of-law state's legality, freedom of religion, and the rights to which ethnic minorities are entitled, our church protests against the eviction proceedings and demands that they be quashed, and also that its lawful right of ownership be restored in full.

Signed in Nagyvarad this 10th day of March 1993, on behalf of the Kiralyhago Reformed Church District's Bishop's Chancery, Bishop Laszlo Tokes

Response To Charges Against Archbishop Vornicescu

93BA0695A Bucharest BARICADA in Romanian 23 Feb 93 p 2

[Letter to the editor from the Metropolitan Bishopric of Oltenia: "Refutation"]

[Text] By virtue of our right to respond to the material you published in the journal BARICADA of 26 January 1993 pages 8 and 9 under Mr. Emilian Mirea's signature, please publish the following:

Recently the priest Iulian Mladin of St. Spiridon Parish in Craiova, following some serious violations of church discipline over a period of several years and in conformity with the reports of Craiova I Residence No. 669 of 22 November 1991 and No 501 of 24 December 1992, was duly remanded to the Diocesan Consistory and was removed from the rank of priest upon trial.

The charge mentioned in the material that Father Professor Petre Semen was abused by the Eminent Very Reverend Archbishop is entirely groundless, as the Father Professor told us himself. We have his statement.

After 22 December 1989 the Eminent Very Reverend Archbishop Nestor never left the archiepiscopal residence nor the St. Dumitru Metropolitan Cathedral in Craiova except for some canonical visits of one or two days in the Diocese. He had no opportunity "to rest for 40 days" in Tismana but was regularly present at interviews on the radio and in the local press, as attested by articles in the local press and the cassettes of the interviews he gave and of the commemoration of the heroes who died for democracy, freedom, and dignity.

The story about the Eminent Very Reverend Archbishop Nestor's candidacy on the lists of the FDSN [Democratic National Salvation Front] is an internal problem of that party's, a fact proved by the public refutation in the local press by the IPS [Eminent Very Reverend] Archbishop.

The new parish priest, Tudorica Mihalache, is a priest with a wealth of pastoral experience, a professor at the Craiova Theological Seminary, and a contributor to various contemporary periodicals.

As for the matter of passenger cars, when there was an occasion to buy any car the competent authorities were called upon through the legal channels. They were bought used because the Metropolitan Bishopric lacked the sums necessary to buy new ones; the Metropolitan Bishopric did not and does not now know who used them.

Concerning the cars sold by the Metropolitan Bishopric of Oltenia, we specify that the Dacia 1310 was in an advanced state of use, having been 5 years in service and having gone over 200,000 km. The car was sold at auction and the driver, Vasile Nichita, offered the highest sum, namely 175,000 lei, although the car in the

inventory had been purchased for 80,000 lei and the price of a car then was 160,000 lei.

Nicu Ceausescu was never at the Metropolitan Bishopric of Oltenia in Craiova. The statements published in *BARICADA* are mere fabrications concocted by a sick mind or for derogatory purposes.

Zoe Ceausescu has none of the property of the Metropolitan Bishopric of Oltenia. While she conducted a mathematics symposium in Craiova, the participants in that symposium also visited the Metropolitan Cathedral in Craiova. Some of them received various books and folders published by the Metropolitan Bishopric of Oltenia, including works published by IPS Nestor.

There are also some statements published by the journal *BARICADA* that are quite unmentionable if any sense of decency at all is to be maintained.

Archbishop of Oltenia Nestor Vornicescu, who was vice chairman of the Peace Conference, or any man in his right mind, could not say that he could give orders to other countries, as it is falsely and tendentiously stated "that in the Netherlands he urged the workers to throw the tanks into the sea."

In connection with the demolition of the St. Ioan Sebastian Church in Craiova, when the forms "called legal" were signed, another prelate was head of the Metropolitan Bishopric of Oltenia and Archbishop Nestor Vornicescu, who was then bishop vicar, was attending an international congress in Sofia in Bulgaria.

As regards the Autonomous Metropolitan Bishopric of Bessarabia, Archbishop Nestor Vornicescu is one of the prominent archbishops of the Romanian Orthodox Church who has been fighting with all his powers with good results, in words, in deeds and in writings—see the newspapers *VESTITORUL* and *CUVINTUL LIBERATII* in Craiova and the journals *TARA* and *LITERATURA SI ARTA* in Moldova—for the spiritual unification of all Romanians against IPS Vladimir's tendency to go on depending upon Moscow.

Moreover the official visits made to Chisinau on 1 December 1990, in February 1992 and from 1 to 6 December 1992 indicate IPS Archbishop Nestor's efforts toward the spiritual unity of all Romanians, as the telecasts from Chisinau and Bucharest have made abundantly clear.

This is the truth attested by the servants of the church in the Metropolitan Bishopric of Oltenia and that of all those working at the Diocesan Center, and the statements in the above-mentioned material are lies circulated by some persons who want to calumniate thereby the Eminent Very Reverend Archbishop Nestor, the Metropolitan Bishopric of Oltenia and the Romanian Orthodox Church.

The Metropolitan Bishopric of Oltenia

New PNL Chairman on Party Goals, Strategy

93BA0785A Bucharest *BARICADA* in Romanian 9 Mar 93 p 14

[Interview with Mircea Ionescu-Quintus, chairman of the National Liberal Party, by Mihai Bujeni; place and date not given: "We Stand Guilty Before the Country Because We Left the Convention"]

[Text] [Bujeni] Mr. Ionescu-Quintus, I would like us first of all to clear up what we might call a question of honor: Did you or did you not give your word that you would not run for the office of party chairman? The story appeared in the tabloid press; I personally consider it false but invite you to explain your election from an ethical point of view.

[Ionescu-Quintus] In Brasov, toward midnight, before the election, a meeting took place which did not conform to the party's rules—those present were not all part of the new leadership groups—which decided that there should be only one candidate (due to an unnatural fear that Viorel Catarama, who was at that time, however, still a member of the PNL [National Liberal Party], might possibly be a candidate). Out of the 36 branch representatives, 26 voted for Mr. Campeanu and eight for me. I said, "If the majority of votes cast are for Mr. Campeanu, then he should be the only candidate." No need to give one's word of honor or make other such promises.

I had not even exited the room when I was assaulted by groups of delegates indignant that I had been misled and that the branch heads who had spoken "for Campeanu" were not, in fact, correctly representing the will of the other members the great majority of whom supported Quintus. I was almost "put on trial" for having given up my candidacy. On learning of the massive support for me and then on seeing the following day, in the lobby of the hotel and of Brasov Theater, hundreds of people who were threatening in a rather aggressive manner to leave the Congress if I betrayed their hopes, I understood that I had been the victim of a trap the previous evening.

I know how to conduct myself. In the morning, I told Mr. Campeanu: "The situation is not as it was represented last night." I still had not decided to enter the race; at my age reconsidering a decision is not easy. What persuaded me was the action of Mr. Ciuceanu, who took me into a room and told me: "If you enter the race, I'll get your file from the *Securitate*!" At that moment I decided: "I'm entering the race—go ahead and pull out my file!" I had to choose between my honor as a gentleman and the very existence of the party. The party was on the verge of dismemberment, which could lead to its dissolution.

[Bujeni] Let's hope that we've now clarified, from an ethical point of view, the context of your election....

[Ionescu-Quintus] I would like to state something else which is weighing on my mind: I wanted neither to run for office nor to become chairman of the PNL. I am

making a sacrifice. I didn't need to take on a burden like this at my age, as exhausted and preoccupied as I am. I did this only at the urging of the delegates for whom my election spelled hope.

[Bujeni] And yet, despite some peaceful declarations, we can see new expressions of dissidence, new liberal "wings": the Campeanu wing, the Cerveni wing...

[Ionescu-Quintus] That is what I hear, too, through the grapevine, that there are people who would not be willing to work under my leadership. I believe, however, that never, at least not in the period I am familiar with, was a chairman of our party ever elected more democratically and fairly than during this election. Whoever does not accept the results of this election lacks democratic spirit and is looking only after his own personal interests. I can't believe that Mr. Campeanu could place himself in the position of leading people like that. Moreover, the fact that he ran—after my election—for a seat on the Permanent Central Bureau rules out such a hypothesis. The only person who did not accept me was Mr. Crin Halaicu. He resigned, but I do not understand why he ran for office. I am not so childish as to think that he wants to resign just because "I did not keep my word." In fact, he knows very well under what conditions the promise I mentioned earlier was wrung out of me.

[Bujeni] You told me earlier than you do not intend to move even one chair or one desk at party headquarters—speaking figuratively, of course. But will the PNL's political strategy be moved out of the rut it has been in up to now?

[Ionescu-Quintus] Yes, and it will be moved not only because I'll be taking my place here, but also because a Permanent Central Bureau will be taking power, one which is well balanced, with many young people, very capable, and devoted to the liberal movement. I hope that we will avoid the mistakes that were made in the past.

[Bujeni] Mr. Campeanu was bringing up complaints that supposedly cropped up in the field regarding the large number of former NPL [New Liberal Party] members elected to the PNL's Permanent Bureau.

[Ionescu-Quintus] It is strange. He has received complaints, but all I have received are thanks!

[Bujeni] I think it is a case of the glass being half full. Whether it seems more on the full or the empty side depends on what perspective you are looking at it from.

[Ionescu-Quintus] Exactly. Dissatisfaction like that is not justified; it is the result of the vote in congress of all the delegates. If that was what they decided, what democratic person could contest their choice?

[Bujeni] Now, after the two liberal congresses, how close have we moved to the goal of unification of the entire liberal movement into one large and powerful party?

[Ionescu-Quintus] If there weren't some hindrances of a personal nature, I could guarantee that in several months the unification of all liberal forces would be possible, because there are no differences of principles or ideology. The problem is this: There are people who cannot join us—I'd rather not name them for the time being. Maybe several months from now they will give up their personal pride in favor of forming of a large party, which the country really needs. I said the same thing at the congress: "Because we left the Democratic Convention, we stand guilty not so much before our party as before the country." We deprived the country of a powerful party.

[Bujeni] Recently, the Liberal Party advanced the idea that liberal unification should be carried out around that party, since it belongs to the Convention.

[Ionescu-Quintus] For us, the aim is not to enter the CD [Democratic Convention], but rather to organize in the first place a powerful liberal party, and only then...First of all, we should build the party. In any case, we are certainly headed toward the opposition, inside or alongside the Convention.

*** Ghimes-Faget RMDSZ President Issues Protest**
93BA0784B Bucharest ROMANIAI MAGYAR SZO in Hungarian 9 Mar 93 p 4

[Statement issued by Andras Deaky, president of the Ghimes-Faget district Democratic Alliance of Hungarians in Romania, on 7 March 1993: "There Is No War in the Ghimes Mountains"]

[Text] I the undersigned, Andras Deaky, a resident of Gyimesbukk [Ghimes-Faget] and president of the municipality's RMDSZ [Democratic Alliance of Hungarians in Romania], protest against the article by Adrian Paunescu that appeared in the 4 March 1993 issue of the fascist newspaper VREMEA, under the title "War, Waged by the RMDSZ and Hungary Against Romania, Broke Out in Gyimes[bukk], Bako County [Bacau Judet], Last Sunday."

The allegations contained in the article are untrue. The entire article is a figment of its author's imagination.

1. On 27 February 1993, two Hungarian citizens did not visit the Catholic priest in Gyimes, because the Reverend Ince Vass was attending his sister's funeral in Szekelyudvarhely [Odorheiu Secuiesc], from where he returned only the next day, Sunday evening.
2. On 28 February 1993, he would have been unable to say mass in Gyimesbukk.
3. On the Sunday in question I was not in church or even near it, and I was not collecting signatures in support of forming an independent "Szekely Hungary."
4. I have never encouraged the youths in the municipality to refuse military service in Romania.

I regard the article as criminal intimidation, an attempt to incite hostility between the Hungarian-speaking natives of Moldavia and the Romanians, the two ethnic groups that have been coexisting for centuries here along the upper reaches of the Tatos [Trotus], peacefully and in mutual understanding.

I reserve the right to sue VREMEA and to claim punitive damages, for myself and the community.

Signed in Gyimesbukk this 7th day of March 1993,
Andras Deaky, president of the Gyimesbukk RMDSZ

*** Hungarians in Romania To Conduct Census**

93BA0784B Bucharest ROMANIAI MAGYAR SZO in
Hungarian 4 Mar 93 p 2

[Unattributed report: "An Ethnic-Minority Census"]

[Text] Kossuth Radio reported that the Hungarian churches operating in Romania are organizing an ethnic-minority census to enumerate the ethnic Hungarians living in the country. The Democratic Alliance of Hungarians in Romania supports the project. All this was

revealed in Munich by Pal Reizer, the bishop of Szatmar [Satu Mare]. As he said, they would like to obtain a more accurate count of the number of ethnic Hungarians in Romania, as compared to what the official statistics report.

*** Heavy Water Production at Power Plant Noted**

93P60154A Bucharest ROMANIA LIBERA in
Romanian 19 Mar 93 p 2

[Summary] If true to the letter of the established program, the HALCNGA Chemical Plant Complex would have been operating three modules for producing heavy water by this time. However, since the HALCNGA thermal power plant diverted the flow of thermic agent needed for this process, in order to provide heat for the Drobeta Turnu Severin municipality, only one module produces heavy water at the ROMAG SA (HALCNGA). In the past three months this module produced 7 metric tons of heavy water. According to experts, the warming of the weather will permit the plant to go back to the normal production rate.

V. Bunget

* Future of SNS, Hungarian Parties Analyzed

93CH0464A Bratislava SLOBODNY PIATOK in Slovak
26 Feb 93 p 14

[Article by Rastislav Toth: "Nationalists, Politics, and Slovakia"]

[Text] We have already become accustomed to the existence of parties with national priorities. But it is still inappropriate to use the term *nacionalne strany* [nationalist parties]. Our language has the advantage and, at the same time, the disadvantage that, in addition to words of foreign origin, it creates its own, so that in Slovakia we have *narodniar* [Slovak for nationalist] as well as *nacionalista* [Slovak word derived from the foreign word "nationalist"]. A foreigner cannot understand what it is all about. Sometimes we do not understand it ourselves.

Let us agree that, for a while, we shall use only the home-grown term: *narodniars* [hereafter referred to as "nationalists"] to designate the political trends in which national interests form the basis for any further considerations.

In that case, we have (so far) in Slovakia two groups of nationalists: Slovak and Hungarian. Both groups have their political parties in the Slovak parliament.

Fulfilled Dream

The Slovak National Party (SNS) is so far the only one to achieve its main political goal, doing so without even winning the parliamentary elections. And the first round of the elections of the Slovak president, in which the main representative of this party received the fewest votes, had the same effect.

Worth noting is the fact that, after the independent Slovak state came into being, this very activist party turned into one of the most moderate ones. The reasons could be, and obviously are, two: One of the ministers in the new government is a citizen whom the SNS, after a while, made its chairman (L. Cermak), and, with the achievement of the main goal of its program, the fire power of the party was almost completely exhausted.

We shall concern ourselves first of all with the second reason for the rest period the SNS is now taking. The outward sign of exhaustion is the absence of the already notorious, closely watched political addresses by deputies and party leaders: Hrnka, Miskovsky, Anđel, and Moric. Even J. Prokes looks as though he had ceased to exist after leaving his position as chairman. The SNS therefore obviously had prepared a program focused mostly on a national awakening of the Stur type, and, to some extent, an opinion of what features the Slovak Army should not have.

The absence of structural economic concepts in the SNS can be documented by the fact that it accepted the position of economic minister in the government, a position that was supposed to be taken over by one of the creators of the HZDS [Movement for a Democratic

Slovakia] economic plan. This indicates that the task of the SNS minister is to implement the economic goals of the HZDS.

On the other hand, positions in the departments that are typically of interest to nationalists—namely, culture, education, and health care—were filled by the victorious movement from its own ranks. If we were to consider the present government to be a coalition, the SNS should have had at least the position of deputy prime minister and minister of foreign affairs. But that, too, remained out of the reach of the SNS. Therefore, the participation of L. Cermak in the government (so far) can be understood as comradely assistance.

Attitudes Toward Government Policy

Since the SNS is not a coalition government party, one would expect that it would constantly comment on the actions of the government, especially because Meciar's movement has taken it upon itself to realize the nationalist dream, so that the nationalists should speak up and compare the reality with the original concept and possibly even say how they would go about realizing it.

First, no stance on the government's economic policy is evident. The formal reason could be precisely the presence of L. Cermak in the government. But that should not present a problem. After all, I believe the SNS has views on the process of dividing the property of the federation, privatization, financial and investment policy, and international economic orientation. That should be the basis of the SNS stance on the government's policies. We have been waiting in vain for views on the development of national culture and education. To date, more has been said about it by the extraparlimentary Social Democracy than by the mentioned representative of the national ideals.

The SNS is a direct participant in the HZDS economic policy and thereby shares in the responsibility for all of its consequences. Difficult to understand is its silence about the fact that the Slovak Government, in fact, has adopted Klaus's version of economic development, which is disadvantageous for Slovakia and strange for the economist of one country to be determining the economic development of its neighbors.

Thus far, the only point of contention between the HZDS and the SNS concerned the position of minister of defense, but the nationalists' criticism was based not on "nationalist" but on party considerations: The SNS is bothered more by the fact that General Andrejcek was a member of the CPCZ and a graduate of a Soviet military school than that he was the coarchitect of the federal army. Such a "flawed" past did not cause a problem for former Minister L. Dobrovsky.

A number of respected artists used to be active in the SNS but somehow disappeared from view after state sovereignty was achieved. But the nationalists should have been speaking out since the beginning of January 1993 about their idea of national cultural development.

In the old state, the SNS was also strongly represented in demanding social benefits for Slovak workers. Even this sphere of activity has disappeared.

All in all, it is evident that the SNS is looking for a new face, which obviously will not very much resemble the old one. That, however, will require personal changes as well. Great ones? I do not know, but important ones definitely.

What Kind of Face?

If the nationalists want to preserve their nationalist image, they must build their program on a plan for a quick revival of the Slovak economy. But that, of course, is the domain of the conservative, rightist parties. Former chairman J. Prokes stated that the SNS will surprise the public with such a feat in the very near future. If that is true, there has to be a split between the HZDS and the SNS.

This party has the moral right to become the foundation of a rightist coalition because its basis from the very beginning has been independence and economic prosperity. It must be kept in mind that, in every country, a strong economy was created by nongovernmental capital. In Europe, we recognize only one example where a leftist party combined private economic initiative with social politics in complete harmony. That was the Swedish Social Democratic Party, but let us admit, it went overboard a little, especially in its immigration policy.

However, the SNS thus far has no acceptable partner for eventual rightist politics in Slovakia: It did not get along with the Carnogursky people and even less so with the Public Against Violence people, and they form the base of the new conservative party. What is left is part of the HZDS and Klepac's KSU [as published].

A waiting tactic can prove very successful for this party.

Hungarian Nationalists

The basic feature of the Hungarian nationalist parties is their insistence that the Hungarian minority in Slovakia is ethnically endangered. It is not the best of starting positions because it establishes the enemy and the objective of political endeavor in advance. After all, what else can put ethnicity in danger but another ethnic? What is the way out of the critical situation? The ideal solution is always separation. As if someone expected that famous Czech "Let them go" applied this time to the Hungarians in Slovakia.

The leaders of Hungarian parties bet on a single card, by its nature actually the final round of the game: They asked international organizations to investigate the plight of the Hungarians in Slovakia. The view that, if they find that everything is in order nothing will happen, is a political and civic misjudgment. If someone falsely accuses another citizen, he can sue the accuser. If a leader paints a false political picture, he is obliged to

leave. Are these parties prepared for this eventuality, as well, or are they going for broke?

It is expected of the nationalists that they would form a concept of the cultural and economic prosperity of their ethnics. Similar to the SNS, the Hungarian nationalists speak mainly about cultural and political repression and leave the responsibility for economic well-being to others. The notion about a president of a Zitny Island parliament or a regional prime minister is certainly appealing, the same as the notion of a Slovak flag above the Bratislava Castle. But a citizen wants something more than a well-paid president.

Leaders—Parties—Citizens

The coexistence of Slovaks and Hungarians, the ordinary people, has its history, which in past decades has been characterized by intolerance. It would not be a good thing for the development of a civil society in Slovakia if a citizen of Slovak nationality got the impression that the substance of Hungarian parties is anti-Slovak politics. The SNS leaders became aware early on that they could not push purely nationalist demands but must make them accord with the civil society. Their politicians were willing to explain the concept of a Slovak nation as a political concept, encompassing all of the citizens of Slovakia. The Hungarian parties would gain much if they were to show a willingness to speak in the name of the entire population of the region, and they would thus avoid the suspicion that they want to introduce in a certain area the politics of Magyarization.

It is hard to believe that the life of the citizens of Zitny Island is preoccupied mainly by the Gabcikovo dam and the signs indicating the boundaries of the communities. If a party wants to assume responsibility, it must have ready a program of overall development—something like a government program. If it does have one, it would be good to publicize it in a form accessible to all citizens. The same thing that applies to the SNS must apply to the Hungarian parties: Their criticism of the government is directed at marginal issues; we do not know, for example, what the social situation of the Slovak Hungarians and local Slovaks is, how the local entrepreneurs are faring, what the professional level of national education is, what the plans and the reality of the economic development of the region are.

However, some responsibility for this belongs to the media, which do not make available enough information on different political views—for example, by giving a full page in a newspaper to M. Duray or hours of television time to various nationalists.

Nationalists and the Outside World

The nationalist parties' activities abroad are precisely the opposite: The Slovak nationalists paint a rosy picture of reality, the Hungarians a black one. Is this still democracy or merely its demagogic exploitation?

Slovak nationalists have established contacts with Slovaks abroad sporadically and without showing any great interest. To date, no great conceptuality in their foreign activities has become evident. Vague hints about the economic benefits of engaging in business activity here and totally ignoring the Slovak minorities abroad (even in the Czech Republic) indicates that, for them, nationalism obviously has state boundaries.

In contrast, the Hungarians have taken up an intensive study of the politics of the Hungarian Republic, which is natural. However, they have not yet made an effort to

create an active and worthwhile contact between Slovakia and Hungary (apart from the prominent issue concerning Gabčíkovo). The problem of trade or, at the present time, an exchange of money (in Hungary, citizens were left with invalid federal korunas) remains totally on the sidelines.

The nationalist parties have the opportunity of convincing people of their usefulness. Well, to do that, they would have to erase from their vocabulary "vanity" and "complacency" and pay more attention to the question: Do nationalist parties have a chance in the year 2000?

Macedonia

* Interior Minister Frckovski on Civil Unrest

93BA0710A Skopje VECER in Macedonian 27-28 Feb 93 pp 8-9

[Interview of Macedonian Interior Minister Frckovski by Branko Gerovski; place and date not given: "Symptoms of a Racist Province?"]

[Text] *The problem now is whether this country will become a stifling, xenophobic, dirty, racist area. Certain conditions are being created for us even now that are typical of the first stage of major authoritarian changes, to say nothing of the first stage of fascization of countries in history.*

I remember a joke a teacher of mine told about Dr. Ljubomir Frckovski, dating from the time before Dr. Frckovski became minister. It goes like this. The teacher turned off the television because he saw nothing but Frckovski, turned off the radio because he heard nothing but Frckovski, and now he is afraid to open his refrigerator. There is no evidence to back this up, but it is certain that the interior minister is the politician who has given the greatest number of interviews during his term in office. Immediately after the events in Djorche Petrov, Frckovski made a statement that calls for clarification, and such is the subject of this interview. Although squirming and nervousness may be read into the statement, as the minister admits later on, the diagnosis made is one that Frckovski obviously still supports. If this seems so harsh on paper is not a question either of the reader's taste or of the author's choice for this interview. As readers can see for themselves later on, the minister has elevated it to a level of ethical definition, but also to a level of a clearly defined political position and approach. Consequently, what is involved is the choice made by a person who is probably at the present time the most commented on and slandered figure in Macedonia.

[Gerovski] I must say, Mr. Frckovski, that when we asked you for this interview, you were on the verge of refusing. You naturally have been a media attraction since you have become interior minister: Kuklish, Radovich, Radolishta, "Sina pitisa" [bluebird], Bit Pazar, "Djorche Petrov." What do all these trials indicate, the state of democracy, a country governed or not governed by law, possibly your status personally as a public figure, or something else?

[Frckovski] It is a little tiring to talk constantly about the same thing. One of the biggest handicaps that I suffer and that I have to force myself to concentrate on is this conversation on the same subject. I will try to talk—I promise you this at the outset—about matters that are important to me now, and not to repeat things that I have talked about in the past. It is clear that we are doing our work honestly. The policy that we have outlined at the ministry is being finalized. Along the way we have encountered specific political problems. I think that we have overcome a large part of them. Some remain

unsolved, and we will see how we will deal with them. We will not deviate from this policy, either inside the ministry or in relations with structures outside it. We believe that the policy is firmly based on a law-governed state, on the structure of the government. The ministry is holding out well; it has no political ambitions whatever. In fact, it has no ambitions other than those defined for it by law. The fact that it is operating successfully from top to bottom may indicate the climate around it; possibly it is as a result on the leading edge of events and is open to criticism. I accept this as a circumstance beyond our control rather than as a separate topic to which it is necessary to respond. What is essential today is that the institutions have been defined by the Constitution; this is about 20 to 30, possibly 40, percent of democracy. The remainder is democratic experience, the process, the dynamic part of democracy. It is learned in the doing. We have been fortunate in the first two years in having avoided any extremism, political extremism above all, in our country political extremism on an ethnic basis. Now this extremism is making itself felt again. I want to talk about this.

"Faster Than the Fascists?"

[Gerovski] You mentioned "racism" and "fascism" specifically during your recent appearance on television. Do you not think that you used words that are too strong, that you might have offended someone by using them?

[Frckovski] I took these words from my conscience and my view of things. They are not always in keeping with the official position I hold. Perhaps they are a little too strong or belong in the political sphere, but then I am speaking as a member of the government, not just as interior minister. I will continue to do so, because what is important to me is my conscience and not always how my words will sound in public. And as for what you say about it being too strong, you must realize that in all situations in which fascism occurs we have the same situation of feeling that these judgments, if they are made, are too strong, and so that something like this cannot happen to us. It is something out of Sartre, the devil's own invention, something that happens to someone else. However, we are up to our necks in this situation. The problem lies somewhere else; it is the question of whether this situation will predominate as a political climate and whether we will be overwhelmed or whether the democratic bloc will be organized better and faster than the fascists in Macedonia. That is the question now. The accounts—how to word them so that they will be acceptable to the masses of people on one side or the other. I will not concern myself with that aspect on this occasion. The problem is a major one, the price to be paid is a high one, and it is ironic that we are worrying about making words softer or stronger. Let other politicians do this.

[Gerovski] I am not stressing on the weight of words, but I do place emphasis on something else. We will agree that problems exist. That is a political problem. I would term it a specific hypersensitivity, which is probably not

typical of the Djorche Petrov people, and not just of Macedonia alone. I do not think that the police can solve it. Allow me to phrase the question this way: Let us assume that you persist in the decision to build a settlement in "Djorche Petrov." Do people become somewhat "racist" and "fascist" as a result? Will there be no need to think over the building of a new police station there?

[Frckovski] The police cannot allow this. The police are here to defend the government's decisions; that is their job, to act in accordance with the decisions made by the government. And the police will be there. Since the circumstances were what they were, there was a conflict, which we again won, to judge by all the criteria, even according to the most commonplace one, the number of persons injured. The problem of adherence law will be decided by the Constitutional Court. That is no concern of ours. That is one level of the occurrence. There is another level here, a separate problem, that is not related to the legality of the decision. Let us say that the decision was entirely illegal. The people were able to protest peacefully and appeal to the Constitutional Court. The court would have quashed this decision and the settlement would not be built.

The reaction by the population is something entirely different, and is illustrative in itself. The occurrence is sharply defined. The people, citizens, exercised their right to determine what is their democratic right and to state who will be a neighbor. That is not their democratic right, just as it is not their democratic right to assert that there will be no taxes in this country. This is not a matter that is subject to a referendum; the population does not express its opinion on the matter. The population may not express its opinion as to whether it wants to live with Muslims in this country or not. This is not its democratic right. And in this situation I at least will not stay in a government that will allow itself to ask this as a question for democratic interpretation. Do you know what is involved? What is involved is limited democracy, democracy within limits. These limits have thus far been imposed by the civilizing process. These limits may not be exceeded in the name of democracy. The majority may not decide that it does not want to live with blacks, Muslims, Orientals, or, say, the handicapped around it. This is not a right that can be established by democratic decisionmaking, and here we have a definitive difference with all political forces and with the thinking of the population. By virtue of the fact that it is the majority there, the situation is merely more tragic. But the truth is not on their side by virtue of the fact that they make up 99 percent of the population. They could be 190 percent, so to speak, but they would still be wrong.

A Stain on the Memory

[Gerovski] Well, one thing must be admitted. Thus far you have tried, and you have been relatively successful in being consistent and enthusiastic in your judgments and in your interventions. Enthusiastic in the sense of

working energetically to prevent something and consistent in not selecting your "clientele" on an ethnic basis. I constantly ask myself: for how long? Let us consider a hypothetical situation in which any intervention would be too risky. An enormous mass of people, part of it armed. Then would you make careful calculations?

[Frckovski] Now, this is a question that you should ask the government. The police here have nothing to calculate. I as a member of the government would assume my own personal attitude toward the situation in such a situation. If we are unable to achieve this impartiality and perform the function of the police in a law-governed country, someone else will have to be found who will act in a different manner. My conscience is clear in this connection. I have not made any compromises and will not make any. It is not merely a question of honor, of an image of mine that I am promising to defend. It is a question of the price that Macedonia will have to pay, of whether it will remain a democracy or whether we with our children will come by the most direct route into ethnic conflict, of whether this country will become stifling, xenophobic, what I would term a dirty, racist region. This is the problem. We were reminded of this in Pripel. The government withdrew. The heroic city of Pripel, and let the people of Pripel become as angry as they want with me, has a stain in its history that cannot be erased. No one can convince me, of all people me, as a person, that these citizens acted correctly in suspending the decision to move only women and children (who are local, not new refugees) to one place.

[Gerovski] You said that the government miscalculated at the time by withdrawing. If there was at least one calculation, then the thesis falls flat.

[Frckovski] No, political purity such as you are demanding does not exist in politics. There is only a threshold that cannot be crossed and beyond which the matter is more ethically doubtful. We no longer find ourselves in relative democracy, but in a relative authoritarian nationalist system, which can only go too far in criminal behavior. This is the subject of political calculation. We find ourselves in a difficult economic situation, with no democratic traditions, and these transitions never follow a purely democratic pattern. What is now involved is a transition that must preserve the seeds of democracy so that democracy may develop under better conditions. And we must not go beyond this limit. We in Macedonia cannot imitate a purely democratic model and have it function if the population, which as the electorate is the basis of democracy, does not have these traditions. Consequently, a situation must be preserved in which a minimum of democracy will exist, a minimum of rules of the game will be respected, and there will be a minimum of tolerance. That is now the question. It must be sufficiently pragmatic, sufficiently relativistic. And this determines the attitude of the government, if it adheres to these principles, and that of the population, which will react one way or another in various situations. And so these conflicts are sometimes

severe. But we must overcome them and incorporate them into our collective experience.

A particular limit may not be exceeded, regardless of what we think of our fellow man. We need not love our fellow man, but we must live together within him in the context of a certain amount of tolerance. If we like each other, so much the better, but we must preserve a civilized level of community life, in a democratic atmosphere. We must not exceed this limit. And the government, the democratic bloc, will fail the test if it surreptitiously allows this, if it makes the mistake of insisting that it is a question of a building permit in a particular place, that a particular building was intended for collective housing or was not intended for that purpose. And everyone all round is engaging in high-rise construction. And if the urban development plan is remembered, at the same time, if we wanted to be malicious, we could issue decisions and tear down 40 to 50 houses there. This is an ironic aspect of the entire process. This is a level about which I do not want to talk at all. Here the very essence of the ethics of this policy is called into question in order for it to be possible to talk about a building permit. This is still a blemish. It is finished. The work is done. This ethnic and religious intolerance remains in our collective memory. Well, this must come to an end. These forces that are protecting it must not be allowed to go on. Otherwise the atmosphere in this place will become too stifling to live in.

A Hard Choice

[Gerovski] Who will put an end to it? That is the whole problem.

[Frckovski] You see, I am in the government now and I am trying to put an end to it within the framework of government decisions. If the government is too small a framework for the purpose, I will come back and will try as a citizen to put an end to it to the extent that I can. We should have a demonstration now, as intolerably easy as it is to hold a demonstration in which a hundred thousand people came out in Skopje saying that they do not support xenophobia, which may be legal, but we are not in favor of the people who do not want others around them. This is what we need. We need this civil conscience. And the tragedy is that this is not happening.

[Gerovski] I am struck by the fact that recently we have often considered you to be playing the part of a self-confident fighter. You have commented on statements made by people in the political parties. One even gains the impression that you enjoy the fact that you have been too caught up in the zeal of political struggle.

[Frckovski] I have not been caught up in it. I am able to keep my distance from my personal feelings and opinions of the statements I make. My occasional cruelty, as it may be considered, is a result of choice, a result of the fact that we dare not lose the cards in play and all of us allow ourselves to be reduced to the status of a dirty, racist province. We must not allow this. And I react here, I must tell you, with my previous choice. It may be cruel,

because there is cruelty abroad in our country. We are part of that power, and it is in our midst. We react in one way or another. There are already complications in public. All this creates tension, which is having its normal effect. I think that I will find balance in myself.

Certain forces are already being created parallel to us that are typical of the first stage of the major authoritarian reversals, to say nothing of the first stage of fascization of countries in history. Everywhere you have a situation of increase in ethical, religious, and racial intolerance. Everywhere you find "the Jews" behind the social and economic crisis; they are the ones who will be considered guilty. But it is really those others. This must be prevented.

And then you have the creation of what I term national bolshevik parties. In organizational structure they are synonymous with bolshevism, an authoritarian organization, but their ideology is nationalistic. The communist element has been replaced by the nationalist one. You have statements by parties to the effect that it is urgently necessary for the Constitutional Court to adopt a resolution to abolish one thing or another. What is to be abolished is not important.

[Gerovski] Yes, but these are all more open forms of our entry into the first stage of authoritarianism. Where are the causes? Does contamination of institutions on a wider scale not exist?

[Frckovski] Now you are asking me a question that I cannot answer so easily from the current perspective, whether contamination of institutions exists. The institutions are in the process of formation and you believe that they easily give in to pressure, from one side or another and from the political substratum that heads them. We know how all this must appear in theory. However, you have people who have acted in a particular way. There is now a political substratum that can lead the institutions in the way they are doing or broaden them at the base. All this depends on the political substratum. And then there is the battle being waged on the fringe. If this is accurate, it may explain the neurosis and ferocity of some conflicts.

I am not the one who has made the classification of authoritarian preconditions, that is to say, those of a socioeconomic crisis in an endemic form. Second, as I have said, national bolshevik parties are being formed that are on the fringe and have no moral scruple whatever keeping them from saying that others are responsible for the crisis, from saying, for example, that the communists are responsible for it (as was done at first), but basically that the "foreigners" in Macedonia are responsible for it. And then there is action by people who refer to these ethnic characteristics to vent their own frustrations. And there you have a picture entirely serviceable for authoritarian forms in general; I will not list specific forms. And now what is still needed to round off the picture of fascism? Control of the police and the military by those political forces. With such a political

atmosphere as they are heating up or directing, with complete irresponsibility in my opinion, they still lack two levers, control of the police and the military. But they have the mechanism of power. That is why the conflict with the police is so intense and accordingly the friction with the military is still moderate, but the same thing will happen there. This is the mechanism, the scenario. And you feel it instinctively, mechanically. Everything else is window dressing, creating a smoke-screen to keep the main line of conflict concealed. It is also interesting to observe the methodology followed by these national bolshevist parties, to make certain that there are no restraints, no fair play.

They do not shrink from moral lynching of officials, from the good old communist principle applied between the two world wars, that of "the worse the better." You can reject credit from a foreign partner, just to make certain that the government will not receive a single item. Let citizens not feel any improvement, in order to carry deterioration of the situation to the limit, so that the communists can seize power, to intensify criticism of the political situation. This is a scandal. For civilized societies this is a scandal.

I Have No Reservations

[Gerovski] I remember when you became a member of Mr. Tsrvenkovski's cabinet. You were not exactly enthusiastic that you had to be a party candidate of the social democrats. Now you are operating more or less with a political platform, from this position. Or am I wrong?

[Frckovski] No, you see what the problem is. The political situation is strained, and if it becomes more strained and moves in the direction of intolerance, all of us will be faced with a definitive choice. Apathy is typical of stable democratic societies. You can allow yourself to keep your distance because the context of politics is such as it is. At this juncture we can move in one direction or another. Our families will be faced with the consequences of moving in one direction or another. All our so-called peaceful civic elites, such as the colleges, will all be placed in jeopardy. Simply put, freedom will be placed in jeopardy.

[Gerovski] I would be disappointed if we had to choose precisely this political structure.

[Frckovski] I am not talking about a political structure, I am talking about global political options. They are very clearly recognized, and you cannot have any reservations here. I at least have no reservations. You may not agree with the makeup of the personnel here or there. That is a different matter, but the methodology of the political approach implies very specific decisions, for one political option or another. If I had not been in my position, I would have been free to speak more clearly and to define this political level of discussion. My conclusion is that today the democratic bloc, as it is presently constituted, should be organized better and more rapidly than the authoritarian forces in Macedonia.

[Gerovski] Lastly, permit me a quite personal and direct question. You are probably receiving comments on what is now taking place in Skopje, to the effect that Frckovski is exaggerating, is letting himself be carried away, and so forth. Are you disappointed by some people whose opinions are important to you?

[Frckovski] I want to tell you something. In such situations I never ask for support, except normally a political decision by the government. In situations such as these I always follow my conscience and my intellectual and personal choice. If I think that what is happening to us should not be allowed to pass, my political actions, within the framework of legality as it has been defined, will be oriented exclusively in that direction. If I think that I will not be able to do something because of various political maneuvers and environment, then I will leave this political office very easily and very clearly. There is nothing at all to hold me down. Not for a second has there been any calculation whatever on my part. Whether or not I disappoint someone is also of little importance to me. What is important to me is that my image be clean in all my work, for me to know why I have done what I have done. If I do not know why I have done something or the work controls me instead of my controlling the work, then I will seriously ask what I want at all in politics.

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